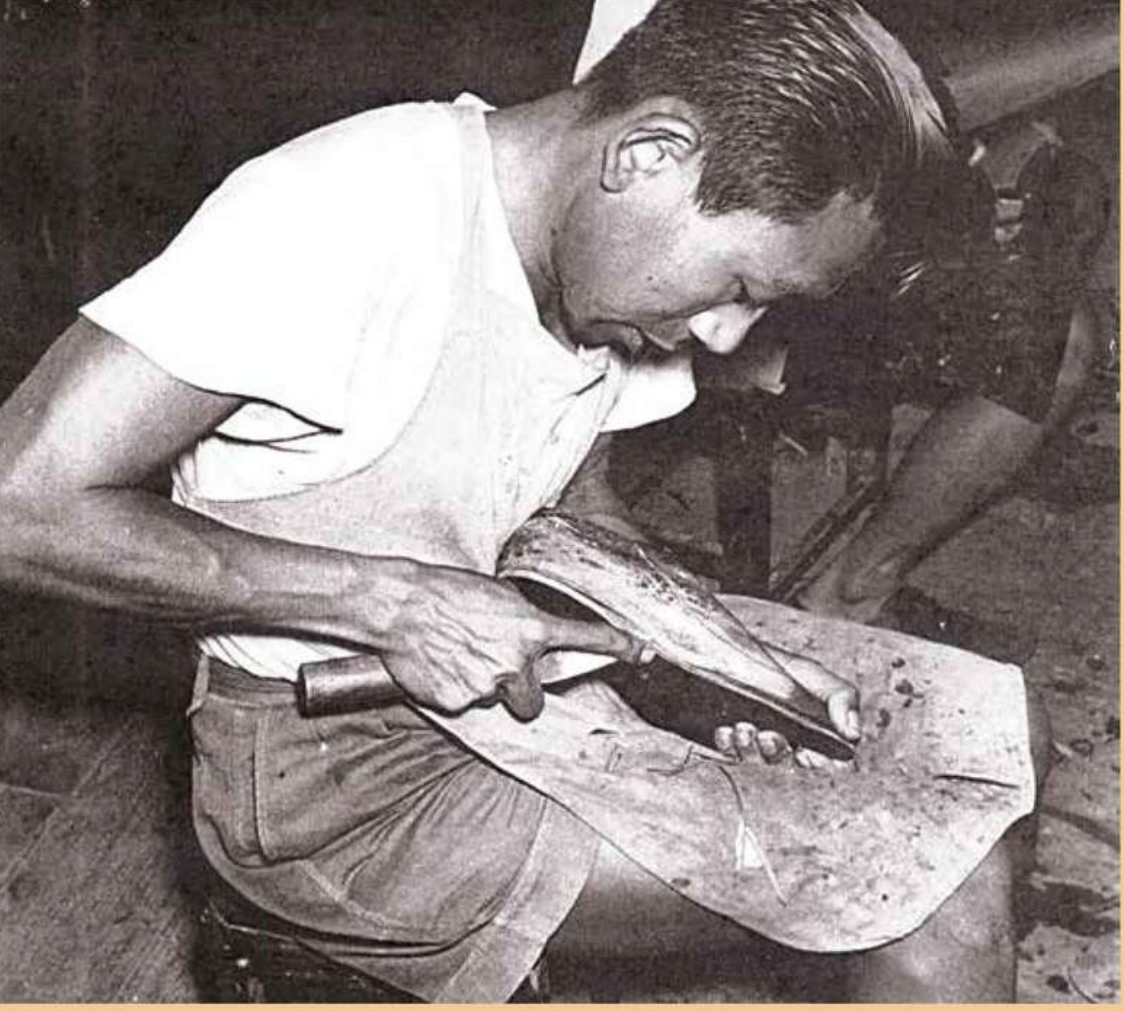


Workers and Democracy

The Indonesian Labour Movement, 1949–1957

John Ingleson

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ASIAN STUDIES ASSOCIATION OF AUSTRALIA

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Series Editors' Foreword

Publication of Professor John Ingleson's *Workers and Democracy: The Indonesian Labour Movement 1949–1957* is a milestone for the Southeast Asia Publications Series. His first book, *Road to Exile: The Indonesian Nationalist Movement, 1927–1934*, was published back in 1979 as the inaugural volume in the series. What began as a fledgling initiative of the recently formed Asian Studies Association of Australia (ASAA) has over four decades published more than 60 titles on the histories, societies and politics of Southeast Asia. These titles include another book by John Ingleson, *In Search of Justice: Workers and Unions in Colonial Java, 1908–1926*, published in 1986, as well as numerous books by other authors on colonial and postcolonial Indonesian history, the topic of Professor Ingleson's scholarly work.

That the Southeast Asia Publications Series has prospered is a consequence of the growth of Asian Studies in Australia, and of the health of the ASAA. In both these achievements, Professor Ingleson has played no small part. He was deeply involved with the ASAA from its foundation in the mid-1970s. He served as ASAA secretary between 1978 and 1986, as treasurer from 1986 to 1988, as president in 1991–92 and 2012–14, and as vice president from 2015 to 2016. In 2019 the association awarded him a life membership, describing him as the organisation's most consistent institution builder.

In 1989 Professor Ingleson was the lead author of the *Asia in Australian Higher Education* report (popularly known as the Ingleson Report), which helped to shape—and expand—the study of Asia in Australian universities for the next generation. He also built a distinguished career in university administration, including terms as deputy vice chancellor at the University of New South Wales and the University of Western Sydney, before retiring a decade ago.

We are delighted to welcome back to the series one of the true pioneers in the field of Asian Studies in Australia, and one of the

leading members of a remarkable generation of Australia-based historians of Indonesia. John Ingleson is the first author to have published three books in the series, and though we hope he will not be the last to do so, we can think of no more fitting individual to claim this honour before any other.

Edward Aspinall and Nick Cheesman
Australian National University

Preface and Acknowledgements

The historian of the Indonesian labour movement is confronted by the absence of union archives not just from the last decades of colonial rule but also from the first two decades after independence. Union archives were seized in police and military raids in the 1950s and 1960s, destroyed after the traumatic events of 1965, or simply lost. However, the extant archives of the Indonesian Communist Party and of Sobsi were seized by the army after the failed 30 September Movement and are now accessible in the Indonesian National Archives. These collections are far from comprehensive; nevertheless, they provide valuable information on Sobsi and its affiliated unions. They are supplemented by the records of the state secretariat, the president of the republic, and the Ministries of Labour and Communications, although again these records are incomplete. Judging from the occasional police intelligence report in the state secretariat files, there may be a considerable amount of material in police archives about local activities of unions, but if this has survived it is not yet publicly available. Publications by the Ministry of Labour and pamphlets and commemorative booklets published by labour unions complement Indonesian archival collections.

Indonesian newspapers flourished in every major town and city, and major Dutch-language newspapers continued to be published until 1957. In the absence of union archives or contemporary records of activists, newspaper reports on strikes, interviews with union leaders and strikers, and coverage of union meetings are invaluable for understanding worker activism. The Dutch-language newspapers are accessible through electronic searches, but the Indonesian-language press must be consulted edition by edition. I have used major titles published in Jakarta, Yogyakarta, Surabaya and Medan. Most unions published magazines, some regularly but most infrequently, but unfortunately only scattered issues have survived for most unions.

Archives and libraries in Indonesia had been supplemented by valuable collections in the Netherlands, Britain, the United States and Australia. The Netherlands high commission and consulates collected a vast amount of material on workers and unions as they sought to protect the interests of Dutch companies. The British embassy in Jakarta and its consulate in Medan were also active in reporting on labour activities that might affect British plantation interests. The United States had a labour attaché in Indonesia from the late 1940s who sent regular reports to Washington, some of which contain interviews with leading unionists and documents otherwise lost. The National Archives of the Netherlands also hold the archives of some of the major Dutch companies active in Indonesia in the 1950s that include significant material on labour relations. The archives of the KPM shipping line and the Tanjung Priok Drydock Company were especially valuable.

The archival and library collection of the International Institute of Social History in Amsterdam is a treasure trove of material on social and labour movements in many countries. Its holdings on Indonesia include union publications that are not available elsewhere. It also holds the archives of the International Confederation of Free Trade Unions (ICFTU). The ICFTU had a growing interest in the Indonesian labour movement, and its archives contain not just internal policy debates but also reports from delegations to Indonesia and material originating from Indonesian unions themselves. All historians working on post-independence Indonesia are indebted to the unique Indonesia collection in the Cornell University Library. Much that has been lost in Indonesia is held in this library, including valuable editions of union magazines.

I am deeply grateful to the many librarians and archivists who responded to my seemingly endless requests, especially for the expertise of the staff in the Indonesian National Library; the Indonesian National Archives; the National Archives, The Hague; the International Institute of Social History in Amsterdam; and the British National Archives. In Australia the National Library and university libraries hold an impressive collection of Indonesian newspapers, magazines, pamphlets and government publications. A very efficient inter-library loan system made these readily available, and I am grateful to library staff in my own institution, the University of New South Wales, for meeting my numerous requests.

In writing this book I have gained greatly from discussions with colleagues in many institutions. In particular, I would like to thank

Jan Breman in the Netherlands and Robert Elson in Australia, both of whom read earlier versions. I would also like to thank two anonymous readers for the care they took and the insightful comments they made and Edward Aspinall, the editor of the ASAA Southeast Asia Publications Series, for his incisive input. I am also indebted to Iskandar Nugroho, who has worked with me for many years as a research assistant in Indonesian archives and libraries. Finally, I would like to thank Sunandini Arora Lal of NUS Press for her fine eye and skilful editorial suggestions in bringing a manuscript to publication.

Most of all, I am grateful for the love, support and professional expertise of Anne O'Brien. Over many years she has patiently listened to me talking about my research and constantly discussed the use of sources and the challenges of writing history.



PANCASILA



1. KETUHANAN YANG MAHA ESA
2. KEMANUSIAAN YANG ADIL DAN BERADAB
3. PERSATUAN INDONESIA
4. KERAKYATAN YANG DIPIMPIN OLEH HIKMAT KEBIJAK-SANAAN DALAM PERMUSYAWARATAN / PERWAKILAN
5. KEADILAN SOSIAL BAGI SELURUH RAKYAT INDONESIA

Abbreviations

Archives

ANRI	National Archives of the Republic of Indonesia
IISG	International Institute of Social History
NAA	Australian Archives
NAB	British National Archives
NADH	National Archives, The Hague
NARA	US National Archives and Records Administration

Organisations

ALS	Algemeen Landbouw Syndicaat (General Syndicate of Landowners)
Avros	Algemeen Vereenigingen van de Rubber Planters ter Oostkust van Sumatra (General Association of Rubber Planters on the East Coast of Sumatra)
BPSS	Badan Pusat Serikat Sekerja Djawa Barat (Central Organisation of Unions in West Java)
BSP	Badan Sosial Pusat (Central Social Body)
BVM	Bataviasche Verkeers Maatschappij (Batavia Transport Company)
CSWO	Stichting Centraal Sociaal Werkgevers Overleg in Indonesia (Foundation on Social Affairs for Employers in Indonesia)
DAMRI	Djawatan Angkutan Motor Republik Indonesia (Indonesian Motor Transport Office)
DPR	Dewan Perwakilan Rakyat (People's Representative Council)
DPV	Deli Planters Vereeniging (Deli Planters Association)
DSBI	Dewan Serikat Serikat Buruh Indonesia (Council of Indonesian Labour Unions)

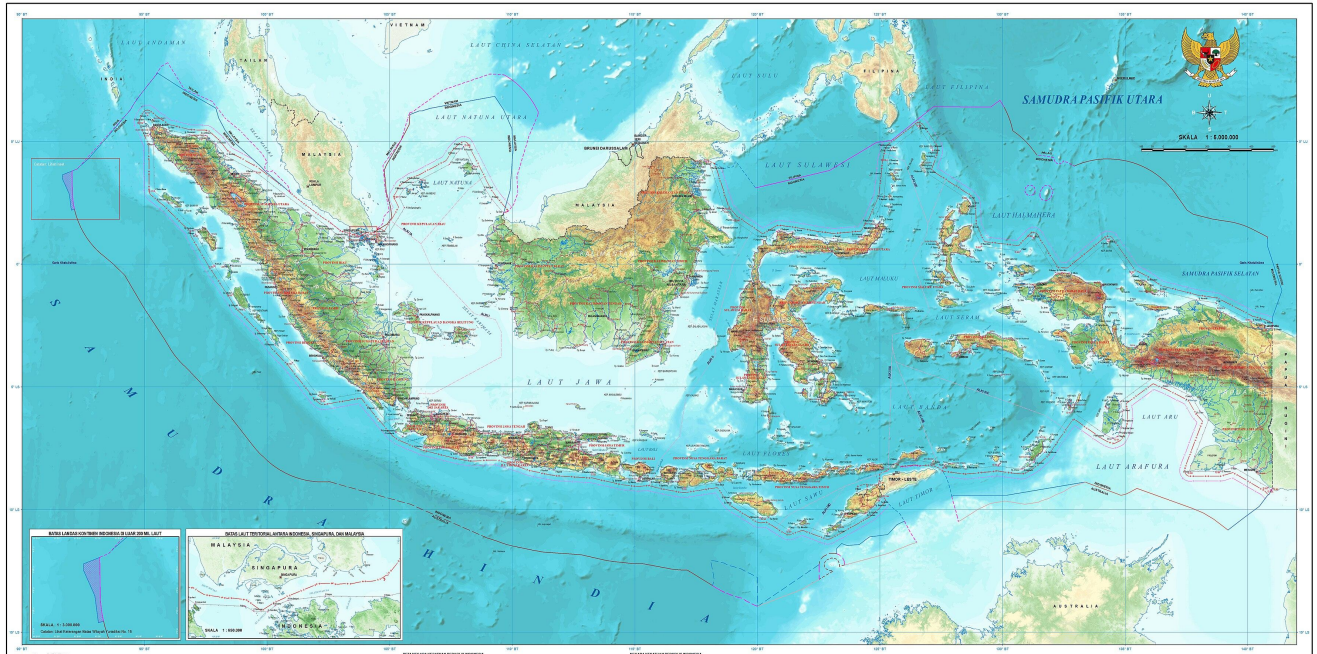
DSM	Deli Spoorweg Maatschappij (Deli Railway Company)
FBI	Federasi Buruh Indonesia (Indonesian Workers Federation)
FBMI	Federasi Buruh Minyak Indonesia (Federation of Indonesian Oil Workers)
Gapo	Gabungan Pengusaha Otobis Djawa Barat (West Java Association of Bus Owners)
Gasbip	Gabungan Serikat Buruh Industrie dan Perbengkelen Particulier (Federation of Private Industry and Workshop Unions)
Gasbri	Gabungan Serikat Buruh Revolutioner Indonesia (Federation of Revolutionary Labour Unions)
Gobsii	Gabungan Organisasi Buruh Seluruh Islam Indonesia (All Indonesia Federation of Islamic Labour Organisations)
GSBI	Gabungan Serikat Buruh Indonesia (Federation of Indonesian Labour Unions)
Hissbi	Himpunan Serikat Serikat Buruh Indonesia (Indonesian Association of Labour Unions)
ICFTU	International Confederation of Free Trade Unions
ICOSS	Ikatan Central Organisasi Serikat Sekerja (Central Organisation of Labour Unions)
IP3	Instansi Penjelesaian Pertikaian Perburuhan (Initial Labour Dispute Settlement)
KABM	Kesatuan Actie Buruh Minyak (Oil Workers United Action)
KBIM	Kongres Buruh Islam Merdeka (Free Islamic Workers Congress)
KBKI	Kesatuan Buruh Kerakyatan Indonesia (Indonesian Democratic Labour Union)
KBKI	Konsentrasi Buruh Kerakyatan Indonesia (Indonesian Democratic Labour Concentration)
KBSI	Kongres Buruh Seluruh Indonesia (All Indonesia Workers Congress)
KPM	Koninklijke Paketvaart Maatschappij (Royal Packet Navigation Company)
Masyumi	Majelis Syuro Muslimin Indonesia (Consultative Council of Indonesian Muslims)
NU	Nahdlatul Ulama
OBI	Ondernemersbond van Indonesie (Employers Association of Indonesia)

OBM	Organisasi Buruh Minyak (Oil Workers Organisation)
OBPI	Organisasi Buruh Perkebunan Indonesia (Organisation of Indonesian Plantation Workers)
OBSI	Organisasi Buruh Sosialis Indonesia (Organisation of Indonesian Socialist Workers)
P4D	Panitya Penjelesaian Pertikaian Perburuhan Daerah (Regional Committee for the Settlement of Labour Disputes)
P4P	Panitya Penjelesaian Pertikaian Perburuhan Pusat (Central Committee for the Settlement of Labour Disputes)
PBBVM	Persatuan Buruh BVM (Association of BVM Workers)
PBKA	Persatuan Buruh Kereta Api (Union of Railway Workers)
PBKI	Persatuan Buruh Kereta Api Indonesia (Union of Indonesian Railway Workers)
PBM	Persatuan Buruh Minyak (Association of Oil Workers)
PBST	Perhimpunan Beambte Klas11 Spoor dan Tram di Hindia Belanda (Union for Second Class Rail and Tram Workers in the Netherlands Indies)
Perbum	Persatuan Buruh Minyak (Association of Oil Workers)
Perbupri	Persatuan Buruh Perkebunan Republik Indonesia (Association of Indonesian Plantation Workers)
Perbuti	Persatuan Buruh Textiel Indonesia (Indonesian Textile Workers Association)
Perbutsi	Perserikatan Buruh Textiel Seluruh Indonesia (All Indonesia Association of Textile Workers)
Perpeki	Persatuan Pekerja Kendaraan Indonesia (Indonesian Association of Drivers)
PGP	Peraturan Gaji Pegawai (Salary Regulations for Civil Servants)
PGRI	Persatuan Guru Republik Indonesia (Association of Teachers in the Republic of Indonesia)
PIR	Persatuan Indonesia Raya (Greater Indonesian Association)
PKI	Partai Komunis Indonesia (Indonesian Communist Party)
PNI	Partai Nasional Indonesia (Indonesian Nationalist Party)
POB	Persatuan Organisasi Buruh (United Organisation of Workers)
PPM	Persatuan Pegawai Minyak (Association of Oil Employees)

PPN	Pusat Perkebunan Negara (State Plantation Centre)
PPST	Persatuan Pegawai Spoor dan Tram (Union of Railway and Tramway Workers)
Pretex	Priangan Textiel Bond (Priangan Textile Association)
PSI	Partai Sosialis Indonesia (Indonesian Socialist Party)
Pusbindo	Pusat Serikat Serikat Buruh Indonesia (Central Organisation for Indonesian Labour Unions)
RIS	Republik Indonesia Serikat (Republic of the United States of Indonesia)
RKS	Rukun Kerja Sama (Cooperative Association)
RTC	Round Table Conference
Sarbuksi	Serikat Buruh Kehutanan Seluruh Indonesia (All Indonesia Forestry Workers Union)
Sarbumusi	Serikat Buruh Muslimin Indonesia (Indonesian Muslim Workers Union)
Sarbupri	Serikat Buruh Perkebunan Republik Indonesia (Indonesian Plantation Workers Union)
SBDPU	Serikat Buruh Djawatan Pekerjaan Umum (Union for Workers in the Public Works Department)
SBG	Serikat Buruh Gula (Sugar Workers Union)
SBII	Serikat Buruh Islam Indonesia (Union of Indonesian Muslim Workers)
SBIM	Serikat Buruh Industrie Metal (Metalworkers Union)
SBK	Serikat Buruh Kehutanan (Forestry Workers Union)
SBKA	Serikat Buruh Kereta Api (Railway Workers Union)
SBKAD	Serikat Buruh Kereta Api Deli (Deli Railway Workers Union)
SBKB	Serikat Buruh Kendaraan Bermotor (Union of Motorised Drivers)
SBKI	Serikat Buruh Kendaraan Indonesia (Indonesian Union of Drivers)
SBKP	Serikat Buruh Kapal dan Pelabuhan (Union of Ship- and Dockworkers)
SBKPM	Serikat Buruh KPM (Union of KPM Workers)
SBLP	Serikat Buruh Laut dan Pelabuhan (Union of Sailors and Dockworkers)
SBM	Serikat Buruh Minyak (Oil Workers Union)
SBP	Serikat Buruh Penerbangan (Airline Workers Union)
SBP	Serikat Buruh Perkebunan (Plantation Workers Union)
SBP	Serikat Buruh Postel (Postal Workers Union)

SBPP	Serikat Buruh Pelabuhan dan Pelayaran Indonesia (Indonesian Dockworkers and Seamen's Union)
SBPTT	Serikat Buruh Pos, Telegraf & Tilpon (Union for Post, Telegraph and Telephone Workers)
SBPU	Serikat Buruh Pekerjaan Umum (Union for Public Sector Workers)
SBT	Serikat Buruh Textiel (Textile Workers Union)
SBT Baru	Serikat Buruh Textiel Baru (New Textile Workers Union)
SBTB	Serikat Buruh Tram dan Bus (Tram and Bus Workers Union)
SBTM	Serikat Buruh Tambang Minyak (Oil Workers Union)
SBTMI	Serikat Buruh Tambang Minyak Indonesia (Union for Indonesian Oil Workers)
SBTP	Serikat Buruh Teknik dan Pelabuhan (Union of Technical and Harbour Workers)
Sebda	Serikat Buruh Daerah Autonomon (Union for Workers in Autonomous Regions)
Serbumusi	Serikat Buruh Minyak Indonesia (All Indonesia Oil Workers Union)
Serbuti	Serikat Buruh Tenun Indonesia (Union of Indonesian Textile Workers)
Serbutsi	Serikat Buruh Textiel Seluruh Indonesia (All Indonesia Textile Workers Union)
SKBM	Serikat Kaum Buruh Minyak (Oil Workers Union)
Sobri	Sentral Organisasi Buruh Republik Indonesia (Central Workers Organisation of the Republic of Indonesia)
Sobsi	Sentral Organisasi Buruh Seluruh Indonesia (All Indonesia Central Workers Organisation)
SPSI	Serikat Pelayar Seluruh Indonesia (All Indonesia Union of Seamen)
SSKA	Serikat Sekerja Kereta Api (Railways Workers Union)
WFTU	World Federation of Trade Unions
ZWSS	Zuid-West Sumatra Syndicaat (South West Sumatra Syndicate)

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Introduction: Lost Years, Forgotten History

This book is a study of worker activism and labour unions in the eight years between the recognition of Indonesian sovereignty by the Netherlands at the end of December 1949 and the nationalisation of Dutch assets in December 1957. It contributes to a re-evaluation of the era of liberal parliamentary democracy in Indonesia. Writing in 1994, Ruth McVey described the 1950s as the "disappearing decade" and the "lost years".[1] A decade later, after the collapse of the 32-year-old army-dominated Suharto regime and the restoration of democracy, Daniel Lev observed that the parliamentary period of Indonesian history "has either been lost, badly distorted, misremembered, or surrounded by a mythology that renders it inaccessible to those most committed to change".[2] He argued that these were not years of unmitigated failure, as asserted by the dominant narrative, but rather years in which much was accomplished and, further, that the absence of a historical memory of these accomplishments made fundamental reform in the post-Suharto era after 1998 more difficult. The story of worker activism and labour unions is an important part of this forgotten history.

Suharto's military regime seized power after the failure of the 30 September Movement in 1965, in which central leaders of the

[1] Ruth T. McVey, "The Case of the Disappearing Decade", in *Democracy in Indonesia: 1950s and 1990s*, ed. David Bourchier and John Legge (Melbourne: Monash Papers on Southeast Asia No. 31, 1994), pp. 3–15.

[2] Daniel S. Lev, "Memory, Knowledge and Reform", in *Beginning to Remember: The Past in the Indonesian Present*, ed. Mary S. Zurbuchen (Singapore: Singapore University Press, 2005), p. 196. In keeping with the arguments of McVey and Lev, J. Thomas Lindblad observed that "The problem with the 1950s in Indonesian history is that they were followed by the 1960s." See J. Thomas Lindblad, *Bridges to New Business: The Economic Decolonization of Indonesia* (Leiden: KITLV Press, 2008), p. 9.

Communist Party were involved. The "lost years" were a consequence of the regime's determination to cleanse the historical record and the collective memory by rewriting Indonesia's postcolonial history and controlling its teaching. Voices other than its own were muted. History was not to be debated, contested or reinterpreted. The regime deliberately conflated the era of liberal parliamentary democracy that ended in 1957 with the more authoritarian years of guided democracy that followed. It labelled the 15 years between 1950 and 1965 as the "Old Order" and painted a picture of an era of political chaos, leading to the collapse of the economy and the poverty of the Indonesian people. It blamed this on Communists, left-wing sympathisers, and squabbling and corrupt politicians who had betrayed the ideals of an army-led revolution that had defeated the Dutch. Unions were portrayed as tools of the Communist Party, focused on politics rather than improving the lives of workers. According to this narrative, workers were manipulated by Communist union leaders who wanted to use them to help the Communist Party seize control of the state.[3] The chaos and disaster of the Old Order was contrasted with Suharto's "New Order", which had saved the country from Communism and brought stability, development and prosperity.

Most of the English-language literature on the 1950s has focused on Jakarta politics, the collapse of parliamentary democracy, the growth of the Communist Party, and the increasing hostility of the army towards the Party and mass organisations linked to it. The limited discussion of labour unions has been on the politics and strategies of the Communist-controlled labour union federation Sobsi (Sentral Organisasi Buruh Seluruh Indonesia, All Indonesia Central Workers Organisation).[4] The fall of the Suharto regime and the restoration of democracy in 1998, as well as improved access to archival and library sources, has enabled the history of the postcolonial labour

[3] For a discussion, see Michele Ford, "A Victor's History: A Comparative Analysis of the Labour Historiography of Indonesia's New Order", *Labour History* 54 (2010): 523–41; Gerry van Klinken, "The Battle for History after Suharto", in *Beginning to Remember*, ed. Zurbuchen, pp. 233–58; and Katherine E. McGregor, *History in Uniform: Military Ideology and the Construction of Indonesia's Past* (Singapore: NUS Press, 2007).

[4] The classic literature includes Harold Crouch, *The Army and Politics in Indonesia* (Ithaca: Cornell University Press, 1978); Herbert Feith, *The Decline of Constitutional Democracy in Indonesia* (Ithaca: Cornell University Press, 1962); Everett D. Hawkins, "Labor in Transition", in *Indonesia*, ed. Ruth T. McVey (New Haven:

movement to be revisited. A number of studies have been published that are beginning to challenge the Suharto-era narrative, including a study of railway workers during the revolution, workers and unions in Jakarta during the Old Order, and an important collection of essays by young Indonesian scholars.[5]

This book is a study of the labour movement during a unique period in Indonesia's history. It focuses on the agency of workers and the structures, strategies and industrial campaigns of unions in the context of ideological conflict, competing labour union federations, the opposition of employers to collective action and the Indonesian state's efforts to manage industrial conflict. While most unions were created by, or closely aligned to, political parties and many union leaders were deeply involved in the highly contested politics of the 1950s, the politics of unions is only part of their history. First and foremost, they were industrial organisations. Their rapid growth after 1950 was based on their support of, and advocacy for, workers and their successful industrial campaigns to improve wages and conditions. Contrary to the Suharto-era narrative, assertive unions neither destroyed the economy nor made the country ungovernable. They did,

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Yale University Press, 1963); Donald Hindley, *The Communist Party of Indonesia 1951–1963* (Berkeley and Los Angeles: University of California Press, 1966); George McT. Kahin, "Indonesian Politics and Nationalism", in *Asian Nationalism and the West*, ed. William L. Holland (New York: Octagon Books, reprint, 1973), pp. 65–196; Daniel S. Lev, *The Transition to Guided Democracy: Indonesian Politics 1957–1959* (Ithaca: Cornell University Modern Indonesia Project, 1966); Rex Mortimer, *Indonesian Communism under Sukarno: Ideology and Politics, 1959–1965* (Ithaca: Cornell University Press, 1974); and John O. Sutter, *Indonesianisasi: Politics in a Changing Economy, 1940–1955*, 4 vols (Ithaca: Cornell University Southeast Asia Program, Data Paper No. 36, 1959).

[5] See, for example, Jan Elliott, "'Bersatoe Kita Berdiri Bertjerai Kita Djatoeh' [United We Stand Divided We Fall], Workers and Unions in Indonesia: Jakarta 1945–1965", PhD dissertation, University of New South Wales, 1997; Erwiza Erman and Ratna Saptari (eds), *Dekolonisasi: Buruh Kota dan Pembentukan Bangsa* (Jakarta: Yayasan Obor Indonesia, 2013); Heather Goodall, "Uneasy Comrades: Tuk Subianto, Eliot V. Elliot and the Cold War", *Indonesia and the Malay World* (July 2012): 209–30; Vanessa Hearman, "Indonesian Trade Unionists, the World Federation of Trade Unions and Cold War Internationalism 1947–1963", *Labour History* (Nov. 2016): 27–44; Agustinus Supriyono, "Buruh Pelabuhan Semarang: Pemogokan-pemogokan pada zaman kolonial Belanda, revolusi dan republik 1900–1965", PhD dissertation, Vrije Universiteit Amsterdam, 2008; Jafar Suryomenggolo, *Organising under the Revolution: Unions and the State in Java, 1945–48* (Singapore: NUS Press, 2013); and Jafar Suryomenggolo, *Politk Perburuhan era Demokrasi Liberal 1950an* (Jakarta: Marjin Kiri, 2015).

however, end many of the worst aspects of colonial-era labour control and forced employers to improve wages and conditions far beyond what they would otherwise have conceded.

The Republic of Indonesia proclaimed its independence on 17 August 1945, three days after Japan surrendered to the Allied forces. Sovereignty was finally recognised on 27 December 1949, after more than four years of conflict between the republic and a Netherlands intent on recolonisation. Taufik Abdullah has described the end of 1949 as a "moment of joyous national celebration", with the recognition of sovereignty giving Indonesians "some kind of dignity and self-confidence".[6] However, when Indonesians turned up for work on 28 December 1949, outwardly nothing had changed. Workplace structures, wages and conditions were no different. Europeans were still in control. For workers, though, inwardly much had changed. After the humiliation of colonialism, the misery of the Japanese occupation and the high cost of resistance against the Dutch attempt to re-establish colonial rule, expectations were high that the recognition of Indonesia's sovereignty would begin a new era of prosperity and justice for all. Indonesian workers were never the "passive natives" of the colonial imagination, content with their simple lot in life and naturally deferential to authority. This was a myth reliant on state surveillance and repression. The defeat of the Netherlands unleashed pent-up demands for workplace justice, with Indonesians feeling empowered to challenge the conditions under which they worked and believing they had the moral right to do so. In the postcolonial euphoria, workers insisted that their voices be heard.

In the last decades of colonial rule, labour unions were major contributors to the development of a civil society, despite intense surveillance and repression by the colonial state. They were also an integral part of nationalist politics, with their leaders ensuring that labour issues were incorporated into the nationalist agenda. These issues included restrictions on working hours, an enforceable minimum wage, overtime, sickness and holiday pay, the provision of decent housing, and universal access to education. Union leaders also believed that an independent Indonesia must have a formal mechanism for the management of the relationship between capital and labour, and by the mid-1930s many were advocating the creation of

[6] Taufik Abdullah, *Indonesia: Towards Democracy* (Singapore: Institute of Southeast Asian Studies, 2009), pp. 195, 200.

an independent arbitration court. Unions and nationalist parties across the political spectrum were convinced that the state must have a central role in Indonesia's transformation from a colonial extraction economy to a modern and prosperous industrial economy.[7]

With the end of the war between the reinvading Dutch and the republic, and free from the constraints of the colonial state, unions organised newly empowered workers to challenge the continuation of a colonial-era business model and to implement their long-standing agenda. They compelled employers to listen to workers' demands for higher wages, better conditions, and an end to arbitrary treatment and colonial methods of labour control. These demands, they insisted, were fair and reasonable and would provide workers with the social justice long denied by colonial rule. A labour movement that had struggled against a repressive colonial regime flourished in the new democratic era. There was freedom of association, freedom of the press, electoral politics with universal suffrage and, above all, the freedom to engage in industrial action.

The union movement was very diverse. Some unions were small regional or workplace-based organisations, often unaligned to the major federations and with only a few hundred or a few thousand members. However, most of the larger national unions for workers in foreign-owned and national companies were affiliated to one of the politically aligned federations. Many unions for lower-level workers in the public sector, including state-owned enterprises, were also affiliated to Sobsi or to one of the anti-Communist federations, while unions for higher-level workers such as teachers or health workers remained independent. Union demands and strategies varied from industry to industry. In sectors of the economy that were largely foreign owned and highly profitable, such as the plantation industry, the stevedoring and shipping industry, and the oil industry, unions mobilised workers with a powerful nationalist narrative that emphasised hundreds of years of colonial exploitation that had made foreign shareholders rich. They also took advantage of their considerable industrial leverage to force companies to negotiate. In national companies and small enterprises unions moderated their demands in recognition that they were less profitable than foreign-owned companies and faced strong competition from cheaper imported goods. Public

[7] See John Ingleson, *Workers, Unions and Politics: Indonesia in the 1920s and 1930s* (Leiden: Brill, 2014).

sector unions were forced to use political pressure more than industrial pressure because the state prohibited its workers going on strike.

Sobsi was the largest and most influential labour union federation. Its growing influence, and the assertiveness of unions affiliated to it, shaped the labour policies of the Indonesian government. Nevertheless, Sobsi struggled to create a disciplined and hierarchically controlled organisation and had only limited control over its affiliated unions. Central leaders of Sobsi-affiliated unions also struggled to assert control over branches and local activists. Far from union headquarters, branch officials often modified or ignored head office directives, were more responsive to local than national issues, and were quite prepared to take independent industrial action. They knew that few workers were interested in ideological debates or the broader political interests of central leaders but were focused on the impact of inflation on their wages; inadequate allowances; poor working conditions; and the lack of good housing, health services and pension. They also knew that if they were to retain workers' support, they had to focus on their day-to-day concerns and deliver tangible results.

Unions were significant grassroots organisations with deep linkages into the workplaces. Tens of thousands of ordinary people were activists in branches, sub-branches and workgroups. The success of unions depended on local officials, almost all of whom were full-time workers. These activists recruited members, collected money, organised cultural and educational activities, and strengthened a sense of community among workers. They were effective advocates for workers who had individual grievances with employers and were astute negotiators on local agreements. They were vigilant in ensuring that national and local collective agreements were fully implemented, and they took advantage of their detailed knowledge of the most vulnerable areas of workplaces to exert maximum industrial pressure.

The expansion of unions and their success in renegotiating the postcolonial workplace could not have happened without the open political environment of liberal parliamentary democracy. Many of Indonesia's political leaders had been active in the colonial labour movement. They had been scathing in their criticism of foreign companies' exploitation of Indonesian workers and of the colonial state's suppression of organised labour. Successive Indonesian cabinets in the early 1950s encouraged the growth of unions and supported collective action to force employers to renegotiate the postcolonial workplace. They had little sympathy for European managers of foreign-owned companies who were reluctant to abandon colonial methods of labour

control and resisted Indonesian workers' demands for decent wages and conditions.

As post-independence optimism faded, the political environment for unions, especially for those affiliated to Sobsi, gradually changed. The deepening Cold War, the resurgence of the PKI as a political force, the apparent strength of Sobsi and its affiliated unions, and the weakness of Sobsi's competitors increased the fears among anti-Communist political, bureaucratic and military elites about growing Communist influence. The government continued to support workers in their struggle to force employers to improve wages and conditions, but it increasingly also moved to restrict the activities of the more militant unions. In the four years after 1953, hundreds of local activists of Sobsi unions were fined or jailed for organising illegal industrial actions.

On 14 March 1957 the democratic space in Indonesia was greatly reduced by the imposition of martial law in order to reimpose Jakarta control after regional coups led by army commanders in North, Central and South Sumatra in December 1956 and Eastern Indonesia in early March. Martial law has been described as the deathblow to parliamentary democracy.[8] It was also the deathblow to the freedom of workers and unions to engage in collective action. Under martial law industrial action needed the prior approval of army commanders, union publications were regularly banned, public meetings were restricted, and union access to workplaces was limited. Leaders of Sobsi branches and local leaders of Sobsi-affiliated unions who challenged the authority of the army were arrested. In August 1957 army control of unions and collective action was further strengthened after the government ordered that all industrial disputes be referred to military commanders for resolution.

On 3 December 1957 activists from Koninklijke Paketvaart Maatschappij (Royal Packet Navigation Company, KPM) unions entered the dominant shipping company's Jakarta headquarters and read a "proclamation of appropriation of authority" to the Dutch managers. The managers left the building, and the unionists lowered the KPM flag flying in its forecourt, replacing it with the Indonesian flag and the red flag. The KPM board in the Netherlands responded by activating the code for its captains to open their secret instructions to leave Indonesian ports and sail out of Indonesian waters in

[8] Lev, *Transition to Guided Democracy*, p. 12.

order to avoid the seizure of their ships. Over the next few days, union activists throughout Java and Sumatra occupied the offices of Dutch companies and took control of Dutch plantations. Other Dutch companies were hit by strikes and boycotts. On 13 December all Dutch assets were formally seized by the state and placed under military control.[9]

The seizure of Dutch assets was the culmination of the eight-year dispute between Indonesia and the Netherlands over the latter's refusal to cede sovereignty over West Irian. The last round of negotiations in February 1957 again failed. Indonesia then abrogated the Round Table Conference agreement of 1949, cancelled its remaining debt with the Netherlands, and prohibited Dutch companies from repatriating profits, depreciation and pensions. On 28 October Sukarno launched the Campaign for Liberation of West Irian, and over the following weeks rallies were held throughout the country. The catalyst for the dramatic events in December was Indonesia's failure on 30 November, for the third successive year, to get the issue of West Irian placed on the agenda of the UN General Assembly. An attempted assassination of Sukarno on the evening of 30 November and a cabinet meeting on 1 December that called for a general strike the following day against Dutch companies heightened already raised emotions. The outpouring of official and public anger at the Netherlands over West Irian, and the volatile political situation after the attempted assassination, emboldened union leaders who had long argued for the state to take over Dutch companies.[10]

Army management of nationalised Dutch companies was the final blow to unions as industrial organisations. By temperament and training, army officers favoured strict lines of command and obedience to authority. They had little tolerance for challenges from unions or workers. The staunchly anti-Communist army was determined to reduce the power of Sobsi and its affiliated unions as part of its wider battle against the Communist Party. It sponsored company unions in

[9] Lindblad, *Bridges to New Business*, pp. 182–6.

[10] Audrey and George Kahin argued that Sukarno encouraged unions and the army to take over Dutch property. More recently, Lindblad was unsure as to whether the government orchestrated the actions or was taken unawares. The evidence remains inconclusive. See Audrey R. Kahin and George McT. Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia* (Seattle: University of Washington Press, 1995), p. 111; and Lindblad, *Bridges to New Business*, p. 186.

state enterprises and promoted the term *karyawan* (employee) rather than *buruh* (worker) in order to change the narrative from class struggle to employees and employers working in harmony. In 1960 it moved a step further by creating a new federation called Soksi (Serikat Organisasi Karyawan Sosialis Indonesia, Union of Indonesian Socialist Karyawan Organisations) and training thousands of local organisers of army-sponsored unions. The army-led purge after the attempted coup of September 1965 took at least half a million lives and incarcerated many more, including tens of thousands who had been members of Sobsi unions.[11] It was not until the fall of the military-dominated Suharto regime in May 1998 and the restoration of democracy that workers and unions regained the freedoms they had experienced during liberal parliamentary democracy.

Structure of the Book

This book is organised into two parts. The first part begins with a chapter that discusses the political, economic and social context of Indonesia in the 1950s, the structure of work, and the mentalities of foreign managers that influenced their attitudes to Indonesian workers. This is followed by a chapter on the labour federations linked to the four major political parties and the failure of anti-Communist federations to challenge the dominance of Sobsi, the federation closely connected to the Indonesian Communist Party. Chapter 3 is a detailed analysis of worker activism in 1950, the first year after the Netherlands finally acknowledged defeat in its attempt to recreate its empire and recognised Indonesia's sovereignty. Workers took advantage of their freedom to challenge colonial methods of labour control and colonial-era wages and conditions. The reluctance of foreign companies to engage with unions resulted in continuous strikes throughout the year and convinced the Indonesian government to create a formal mechanism to mediate and resolve industrial disputes. Chapter 4 discusses the labour policies of the government and the structure of the dispute resolution system and its evolution into an effective instrument that for the most part supported union efforts to reform many of the worst aspects of colonial-era methods of labour management.

[11] There is an extensive literature on the events of September 1965 and their aftermath. See, for example, Geoffrey B. Robinson, *The Killing Season: A History of the Indonesian Massacres, 1965–1966* (Princeton: Princeton University Press, 2018).

The second part of the book consists of four case studies of worker activism and labour unions in different sectors of the economy. The first case study focuses on unions in the public sector, and in particular unions that represented casual and day-wage labourers employed by the Public Works Department, the Forestry Department, provincial and municipal governments, and railway workers. Public sector unions did not have access to the dispute resolution system, lacked the economic leverage of private sector unions, and were forced to rely more on political than industrial leverage to improve workers' wages and conditions. Their political and industrial campaigns, though, had a wider significance in that many of their gains were incorporated into the demands of private sector unions.

The second and third case studies focus on unions in the huge plantation industry and the harbour, stevedoring and shipping industry. Both sectors were dominated by foreign-owned companies that had long been targets for the nationalist and labour movements because of their exploitation of Indonesian workers and their excessive profits. The plantations were critical to Indonesia's foreign exchange and the state budget. They depended on well-functioning harbours, stevedoring companies and shipping lines to get rubber, tobacco, coffee, tea and other commodities to international markets. Companies in both sectors were especially resistant to changing colonial ways of managing Indonesian labour or to increasing the low wages that had made them so profitable during the colonial era. Their labour management policies and their reluctance to engage with unions were the major causes of continuous industrial conflict.

The fourth case study is of unions in the industrial and transport sectors, focusing on the oil industry, the textile industry and urban transport. All of these sectors had dominant Sobsi unions. They illustrate the challenges confronting unions in sectors of the economy with very different patterns of ownership. Oil production, refining and distribution was controlled by the Anglo-Dutch–owned BPM/Shell and the US-owned Standard Vacuum (Stanvac) and Caltex. The textile industry was owned largely by Indonesian companies, some of which were large but most of which were small-scale family enterprises. Urban transport—buses, taxis, minibuses, pedicabs and horse-drawn carriages—was in the hands of hundreds of small Indonesian companies and thousands of individuals, with most drivers precariously employed.

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The Context

The celebrations in Indonesia at the recognition of sovereignty were soon replaced by a sober realisation among the political elites of the enormous political, economic and social problems facing the new nation. Three and a half years of Japanese occupation and four and a half years of fighting had left much of the country's infrastructure in disrepair. The plantations and oilfields that generated foreign exchange needed urgent rehabilitation. There was a high level of urban unemployment and underemployment, and a severe shortage of housing as hundreds of thousands of people who had fled to the interior of Java and Sumatra to escape the reinvading Dutch, or to join the fighting forces, returned to the coastal cities. The government saw its immediate tasks as imposing its authority, integrating and rebuilding administrative structures, strengthening its finances, and rehabilitating the economy. It was a task made more difficult by unstable political parties, a fractious parliament, and an economy still dominated by Dutch companies with race-based wages and conditions and colonial-era methods of labour management. Sovereignty had been achieved, but the task of creating a prosperous and just society had only begun.

The Political Context

The Netherlands reluctantly conceded sovereignty under pressure from the United Nations and, more importantly, the United States. Faced with the need to get constitutional change through a parliament hostile to the loss of empire, it insisted on a raft of clauses in the Round Table Conference (RTC) agreement with Indonesian negotiators that protected Dutch assets and required the Netherlands to

be consulted before Indonesia implemented changes affecting the former's financial interests. Indonesia was required to return confiscated Dutch property, allow Dutch companies unrestricted repatriation of profits, assume responsibility for the former colony's public debt of over US$1 billion and continue to pay the 17,000 Dutch civil servants working in the country their high European salaries for two years.[1] The Netherlands also insisted on a federal structure—the Republik Indonesia Serikat (Republic of the United States of Indonesia, RIS)—with the Yogyakarta-based republic only one of seven states and nine territories. While republic negotiators had no choice but to accept these conditions, they rightly believed that the Netherlands was continuing the divide-and-rule strategy it had followed since 1945.

Leaders of the republic who had led the fight against Netherlands reoccupation resented this intransigence and were determined to undo what they saw as Dutch duplicity as soon as possible by returning to the unitary state proclaimed in 1945. They dominated the RIS government, made no secret of their intentions and began almost immediately to talk of renegotiating the RTC agreement. Much of the political energy of the RIS government in the first half of 1950 was consumed by managing separatist movements and negotiating with constituent states, each of which had its own government and legislature. Political pressure on the states, the speedy and efficient RIS response to regional rebellions and outbreaks of violence, sustained street protests by people loyal to the national revolution, and constant propaganda about the need to return to the ideals of 1945 ensured that the federal structure was short-lived. By the middle of the year all of the states had either been dissolved or had agreed to merge into a unitary structure. On 17 August 1950, the fifth anniversary of the proclamation of independence by Sukarno and

[1] There is an extensive literature on the four years of fighting between the Netherlands and the Republic of Indonesia. See in particular Taufik Abdullah, *Indonesia: Towards Democracy*, pp. 89–182; and the classic by George McT. Kahin, *Nationalism and Revolution in Indonesia* (Ithaca: Cornell University Press, 1952). On the decolonisation process, see Lindblad, *Bridges to New Business*; Bruce Glassburner (ed.), *The Economy of Indonesia: Selected Writings* (Ithaca: Cornell University Press, 1971); and Howard Dick, "Formation of the Nation-State, 1930s–1966", in *The Emergence of a National Economy: An Economic History of Indonesia 1800–2000*, ed. Howard Dick et al. (Sydney: Allen & Unwin, 2002), pp. 170–3. The authoritative work on the 1950s is Feith, *Decline of Constitutional Democracy*.

Mohammad Hatta, the RIS was formally dissolved and the unitary state, the Republic of Indonesia, inaugurated.

The lack of generosity shown by the Netherlands at the end of empire, encapsulated in the onerous terms of the RTC agreement, was resented by Indonesians across the political spectrum. The Netherlands' refusal to transfer sovereignty over West Irian (now West Papua) was an added insult. Protracted negotiations in the early 1950s failed to change Dutch determination to hold on to this small piece of its former colony. The issue was of enormous symbolic importance to Indonesians, arousing deep-seated anti-colonial emotions and further embittering relations with the former colonial power. Indonesia's failure to obtain the support of the United Nations in 1957 for the transfer of sovereignty of West Irian was the catalyst for the nationalisation of Dutch assets and a costly campaign that eventually resulted in the seizure of West Irian by force in 1961.

It was no surprise that Sukarno, president of the republic that had fought the Dutch and by far the most prominent of the political leaders, was also elected president of the RIS. On 18 December 1949 he appointed four respected national figures, including Hatta—vice-president of the republic—and the Sultan of Yogyakarta, to form a "national business cabinet of experts, with due regard to the desires of the parties".[2] The RIS government took office on 27 December with Hatta as prime minister and a cabinet that Herbert Feith has described as one selected on the basis of technical expertise rather than the relative strength of the political parties in the nominated parliament. The Hatta cabinet led the RIS through the difficult months of 1950 leading to the latter's dissolution and the formation of the unitary Republic of Indonesia.[3]

The provisional constitution of the unitary republic created a secular state and a parliamentary democracy. It was by no means universally supported. In March 1945 the Japanese occupying forces, aware that Japan was losing the war, sponsored a committee for the preparation of independence with members from a broad spectrum of the Indonesian elite. The fundamental principles of the state were opened up for debate. One of the most contested issues was the role of Islam. Those who wanted Islam to be the foundation of the state,

[2] Sukarno's instructions are quoted in Feith, *Decline of Constitutional Democracy*, p. 46.
[3] On the formation of the Hatta cabinet, see Ibid., pp. 46–9.

or at least acknowledged as having a special place in it, eventually lost out to the pre-war nationalists who insisted on a secular state that guaranteed freedom of religion but privileged no one religion. They argued that while most Indonesians were Muslims, there were significant minorities of other faiths and that unity depended on recognising their sensitivities. The place of Islam in Indonesian life remained a contentious and divisive issue and was one of the underlying factors behind the regional rebellions in Sumatra and eastern Indonesia in 1957 and 1958.

Another group of intellectuals, predominantly Javanese, had long been critical of the liberal parliamentary democracy advocated by the dominant stream of the colonial nationalist movement. They argued that this was a Western import based on a culturally inappropriate ideology of the supremacy of individual rights, the separation of powers and adversarial politics. They advocated a state based on what they called "traditional Indonesian values" of harmony and consensus, mutual support, duties rather than rights, and the family principle where the function of the head of the family (the president) was to provide paternalistic leadership and the responsibility of the family (the people) was to obey without question.[4] They lost the debate in 1945 but continued in the 1950s to advocate their alternative vision of the state.

Military leaders in 1950 were committed to a secular state but not to a liberal parliamentary democracy. They were disdainful of politicians and political parties and were convinced that the Netherlands had been defeated by the sacrifices of soldiers, not by the machinations of politicians always prepared to make concessions. They believed that the army embodied the revolutionary spirit; had earned the right to a leading role in the nation's social, political and economic life; and had a duty to safeguard the ideals of the revolution. Army commanders were not prepared to retreat to the barracks with their soldiers or be subject to control by quarrelling and self-serving politicians. The army was restless throughout the parliamentary democracy years. In 1952 President Sukarno stared down an attempt by army officers to force him to dissolve parliament. The failure of the

[4] See David Bourchier, *Illiberal Democracy in Indonesia: The Ideology of the Family State* (London: Routledge, 2015). See also R.E. Elson, *The Idea of Indonesia: A History* (Cambridge: Cambridge University Press, 2008) for an extended discussion of the various strands of Indonesian political thinking.

"October 17 affair", which saw tanks and soldiers surrounding the presidential palace, temporarily clipped the army's wings but did not alter the conviction of senior officers that their leadership was critical to building the nation.[5]

On its formation in December 1949 the RIS government declared martial law in order to combat the Darul Islam movement in West Java, control roaming gangs in the towns and cities, and disarm guerrilla groups in the countryside. Martial law remained in place until the inauguration of the unitary state in August 1950. It provided legitimacy for the army's first taste of civil power. As early as 25 February 1950, for example, the military governor of Central Java unilaterally banned strikes in private companies and government departments that might affect the military, including the post, telegraph and telephone service; the railways; the gas and electricity companies; the forestry service; the plantations; and the harbours. In a move that foreshadowed action by the government in 1951, he also created a Panitya Pengurus Perselisahan Perburuhan (Labour Dispute Management Committee), stating that if the committee could not resolve a dispute, he would make a binding decision himself. Aware that his actions would be regarded as anti-democratic, he justified his intervention with an argument that would later be used by others: "democracy exists to protect the safety and prosperity of the people, and a healthy democracy is prepared to sacrifice its principles for this. The actions of the military governor deliberately restrict democracy because unlimited democracy is unable to overcome the current difficulties."[6]

Territorial commanders exercised considerable autonomy in the 1950s, resisting efforts by the army high command and the Ministry of Defence to reduce their authority and impose central control. They continued to intervene in industrial disputes by prohibiting demonstrations, deploying troops to protect factories and plantations during strikes, and making it clear to both unions and employers that unless disputes were quickly resolved they would impose their own solutions. Union leaders were careful to keep territorial commanders informed about planned industrial action. They knew that having fought a guerrilla war against the Dutch the army's instinctive sympathies were

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[5] The best discussion of the changing role of the army in the 1950s and 1960s is Crouch, *Army and Politics in Indonesia*.

[6] *Merdeka*, 2 Mar. 1950.

with workers rather than Dutch companies, but they were also conscious that the army was wary of mass movements and particularly of unions affiliated to the Sentral Organisasi Buruh Seluruh Indonesia (All Indonesia Central Workers Organisation, Sobsi).

Under the 1945 constitution Indonesia had a presidential system of government. After pressure from newly formed political parties, the constitution was amended in November 1945 to provide for a prime minister and cabinet responsible to parliament rather than to the president. The RIS constitution retained the parliamentary system, and the provisional constitution of the Republic of Indonesia in August 1950 differed from it only slightly. The major difference was the institution of a unicameral parliament, the Dewan Perwakilan Rakyat (People's Representative Council, DPR) to replace the bicameral parliament of the RIS. Until national elections could be held, members were appointed by President Sukarno to represent political parties, regional interests and functional groups, including labour. Thirteen political parties were allocated seats, the largest of which were Masyumi, Partai Nasional Indonesia (Indonesian Nationalist Party, PNI), Partai Sosialis Indonesia (Indonesian Socialist Party, PSI), Persatuan Indonesia Raya (Greater Indonesia Association, PIR) and Partai Komunis Indonesia (Indonesian Communist Party, PKI).[7] Masyumi, founded in 1945, was the major Islamic party until banned in 1960 because of its support of the Sumatra regional rebellions and its opposition to the imposition of guided democracy. The PNI was broadly socialist and strongly connected to the Javanese bureaucratic elite. It traced its heritage to the colonial-era nationalist party of the same name, though there was no direct connection. The PSI was a socialist party in the European social-democratic tradition attractive to a small group of Western-educated intellectuals. The PIR was a conservative party led by Javanese aristocrats who had broken away from the PNI because they considered it too egalitarian and too socialist. The PKI had been re-formed in November 1945 after being suppressed by the Dutch at the end of 1926. Shattered by its involvement in the Madiun uprising against the republic government in September 1948, in 1950 it was in the process of rebuilding.[8]

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[7] Robert Cribb and Audrey Kahin, *Historical Dictionary of Indonesia* (Lanham: Scarecrow Press, 2004), pp. 490–1.

[8] On the PNI, see J. Eliseo Rocamora, *Nationalism in Search of Ideology: The Indonesian Nationalist Party, 1946–1965* (Quezon City: University of the Philippines

The multiplicity of parties, conflicting personal and policy agendas, and most members' lack of deep links with Indonesian society seriously weakened the functioning of the national parliament. Political parties were strongly factionalised, party discipline was weak, and national politics was the politics of a small Jakarta elite riven by personal differences and power struggles and increasingly tainted by corruption. This made it extremely difficult for successive governments to get a plurality of votes on significant issues. Governments were temporary alliances of parties and individuals formed after considerable horse-trading and constantly hostage to votes of no confidence as parties fractured and alliances fell apart. It was a recipe for instability and short-term policies.

Despite the reservations of some, Indonesians were generally proud that their new nation had joined the ranks of democratic countries. Municipal and provincial elections were quickly held, providing parties with the opportunity to build local and regional organisations. However, national elections were repeatedly postponed, in part because of administrative and logistical difficulties but in part also because political parties wanted time to shore up their bases before testing their support at the ballot box. Indonesia's first national election was finally held in September 1955. It was well organised and widely regarded as free and fair. A turnout of over 90 per cent of eligible voters showed Indonesians' enthusiasm for their voices to be heard.[9]

Hopes that the national election would break the political impasse and bring an end to a fractious parliament were dashed. Four major parties emerged from the elections—the PNI, Masyumi, Nahdlatul Ulama (a more conservative Islamic party that broke away from Masyumi in 1952) and the PKI—but even the most successful, the PNI, received only 22.3 per cent of the votes. No single party could form a government, with the result that jockeying for power was as strong among elected members as it had been among appointed ones.

Press, 1975). On Masyumi, see Remy Madinier, *Islam and Politics in Indonesia: The Masyumi Party between Democracy and Integralism* (Singapore: NUS Press, 2015). On the PKI in the 1950s, see Hindley, *Communist Party of Indonesia*. On the Madiun revolt, see Ann Swift, *The Road to Madiun: The Indonesian Communist Uprising of 1948* (Ithaca: Cornell University Modern Indonesia Project, 1989); and Kahin, *Nationalism and Revolution in Indonesia*, pp. 256–303.

[9] See Elson, *Idea of Indonesia*, pp. 177–8.

The result of this fractious national politics was six cabinets in seven years, all of which were unstable coalitions. Three were led by Masyumi prime ministers—Mohammad Natsir (September 1950–March 1951), Sukiman (April 1951–February 1952) and Burhanuddin Harahap (August 1955–March 1956)—and three by PNI prime ministers—Wilopo (April 1952–July 1953) and Ali Sastroamidjojo (July 1953–July 1955 and March 1956–March 1957). Although the national election confirmed substantial popular support for the PKI, the party was excluded from all coalition cabinets. Masyumi would not tolerate any role for the Communist Party in government, and the PNI was nervous about the Party's mass appeal, seeing it as a major competitor.

Masyumi-led governments were staunchly anti-Communist and supported the West in the Cold War. They were conscious, though, of the strong anti-colonial sentiment in the country and were committed to reducing the economic dominance of Dutch companies. They wanted to do this gradually so as not to undermine efforts to rehabilitate the economy after eight years of occupation and war. They were convinced that, for the moment, Indonesia needed foreign capital and expertise because of the lack of indigenous capital, the shortage of highly skilled workers and the precarious condition of state finances. In contrast, PNI-led governments were more nationalist in their foreign and domestic policies. They did not see themselves as anti-West; rather, they were unwilling to align Indonesia with the West at a time when the United States was increasingly demanding that countries abandon neutrality in the Cold War. While not opposed to foreign investment, they were determined to force the pace of economic independence through accelerating the process of nationalisation and supporting national enterprises.

Despite the many differences between Masyumi-led and PNI-led governments, their labour policies were similar. While unsympathetic to Dutch companies that attempted to continue colonial labour practices, they were also concerned about the impact of industrial unrest on the economy and the dominance of Sobsi unions. At a deeper level, those who governed Indonesia were ambivalent about the growing assertiveness of the common people. Just as the mentality of European managers did not suddenly change with independence, neither did that of Indonesian elites. The national narrative praised the role of the *rakyat* (people) in the struggle against the Netherlands and spoke of *kedaulatan rakyat* (sovereignty of the people), but few among the ruling elite, whether politicians, bureaucrats or army

commanders, were comfortable with movements from below. They were outwardly egalitarian, recognised the justice of workers' demands for better wages and conditions, and were sympathetic to efforts to force foreign employers to the negotiating table. It was no longer acceptable, at least in public, to refer to ordinary people as *masih bodoh* (still stupid), as had often been the case in the 1920s and 1930s. Nevertheless, they felt threatened by the militant language of unions, especially by the language of class struggle, and were determined to control the labour movement in order to protect not just the economy but also the authority of the state and existing social hierarchies.[10]

Under the 1950 provisional constitution, Sukarno, as president, had limited formal powers. He was, though, a significant player in Jakarta politics, taking full advantage of the informal power of his office and his personal standing among the Indonesian people. Widely revered, with unrivalled personal charisma, he understood the theatre of public speaking and could emotionally engage large audiences through stirring, and often lengthy, speeches. Since the mid-1920s he had disparaged Western-style democracy as 50 per cent plus one democracy, arguing that it was unsuited to a culture based on mutual cooperation, consultation and consensus. He continued to argue in this vein in the 1950s. The parliamentary system was never to his liking, and he chafed at the diminished role of the president. Sukarno was not solely to blame for the eventual collapse of parliamentary democracy—the blame was shared widely among politicians, the army, the bureaucracy and the business elite—but he continually disparaged it in his speeches and encouraged its demise.

The failure of the 1955 election to end unstable coalition governments and the paralysis of parliament enabled Sukarno to seize the opportunity in October 1956 to argue that Indonesia should bury the political parties and replace the failed Western import of liberal democracy with what he called "democracy with leadership", or guided democracy. Over the next few months the political situation deteriorated further, with regional army coups in North, Central and South Sumatra in December and a coup in eastern Indonesia at the

[10] Henk Schulte Nordholt has argued of the post-independence bureaucratic elites that "Their main interest was to maintain the stability of the state, and to a much lesser extent the mobilization of the nation." Henk Schulte Nordholt, "Indonesia in the 1950s: Nation, Modernity and the Post-colonial State", *Bijdragen tot de Taal-, Land-, en Volkenkunde* 167, 41 (2011): 399.

beginning of March 1957 led by the regional army commander. On 14 March the second Ali cabinet resigned, and with the full support of Army Chief of Staff Abdul Haris Nasution, Sukarno immediately invoked the state of war and siege ordinance that imposed nation-wide martial law, thereby legitimising army involvement in civil society. The Ali parliamentary cabinet was replaced with an extra-parliamentary cabinet chosen by Sukarno, and in 1959 Sukarno, again with the full support of the army high command, invoked by decree a return to the 1945 constitution.[11]

The Economy

In 1950 Indonesia was a sovereign nation with an economy based on resource extraction by foreign-owned companies. The major trading companies, the stevedoring and shipping industries, the banks, manufacturing companies, and utilities were also foreign owned. Dutch companies predominated, but British, French, US and Swiss companies also operated in the country. Those parts of the economy not controlled by foreign interests were largely in the hands of Chinese-Indonesians, including the textile industry, retail and inter-city transport. There was only a small Western-educated professional class and a larger middle class, mostly employed in the civil service, but few Indonesian businesses other than small-scale enterprises.[12]

The structure of the Indonesian economy changed only slowly after 1950. It remained heavily dependent on the export of plantation products such as rubber, tobacco, tea and coffee and increasingly on oil, all of which were subject to the vagaries of international markets. Despite the post-independence emphasis on industrialisation, progress was modest. Most people continued to depend on agriculture for a significant part of their livelihoods. There are no precise figures on the size and distribution of the wage labour force, but in 1953 the government estimated a total labour force of 30 million in a population of about 80 million. Of this 30 million, an estimated 18.2 million were engaged in agriculture, 1.8 million employed by the

[11] The best discussion of the events of 1956 and 1957 remains Feith, *Decline of Constitutional Democracy*, pp. 463–555.

[12] Lindblad discusses Chinese-Indonesian companies, Indonesian-owned conglomerates and small-scale enterprises in the 1950s in *Bridges to New Business*, pp. 88–107.

government and government enterprises, four million employed in industry, three million employed in commerce, and 800,000 employed in the transportation sector.[13] Many of those whose primary occupation was classified as agriculture would have worked part of each year as seasonal labourers on plantations, in sugar mills, on the docks, or in the informal sector in nearby towns and cities. Whether living in the towns and cities or in rural areas, men and women sought wage labour wherever they could, moving between rural and urban work and between the formal and informal sectors.

It has been argued that Dutch negotiators and politicians involved in the RTC did not realise that Indonesian negotiators agreed to economic and political concessions only in order to get the Netherlands to concede independence.[14] Indonesian political elites remained critical of the onerous terms of the RTC agreement, though most accepted that the newly independent nation needed to move slowly in abrogating them. Indonesian governments in the 1950s were committed to the promotion of national companies and the creation of state-owned enterprises. They were also committed to nationalising key sectors of the economy but were constrained by the need to compensate their owners. The slow pace of change in the management of foreign companies was a source of frustration, with both governments and unions accusing the companies of making only minimal efforts to train Indonesians for higher-level positions.[15] Unions constantly pressured the government to force foreign companies to increase the training and promotion of Indonesians and to accelerate the process of nationalisation.

The implementation of nationalist economic policies began as early as April 1950 with the introduction of preferential import licences for Indonesian trading companies, known as the Benteng (fortress) policy. In December that year Indonesia concluded an agreement with Royal Dutch Airlines (KLM) to form Garuda Indonesia Airlines as an equal partnership. Later that month, though, it failed

[13] The estimates were produced by the National Planning Bureau. See Hawkins, "Labor in Transition", p. 250. See also J. Henry Richardson, "Indonesian Labor Relations in Their Political Setting", *Industrial and Labor Relations Review* 12, 1 (1957): 58.

[14] Lindblad, *Bridges to New Business*, p. 178.

[15] Lindblad (2008) has suggested that non-Dutch foreign companies were more committed than Dutch companies.

to persuade the Dutch-owned KPM to fold its near monopoly of inter-island shipping into a joint venture, forcing it to put resources into expanding the small state-owned shipping company. Well aware that its refusal had jeopardised its future in Indonesia, KPM made no new investment in its inter-island fleet, instead relying on ageing ships and chartered vessels, and made secret preparations to sail its fleet out of Indonesian waters in the event of trouble.[16] In an assertion of national sovereignty, the colonial central bank, the Java Bank, was nationalised in October 1951 and later renamed Bank Indonesia. In August 1953 parliament resolved that gas, electricity and water utilities should be nationalised—a process that took four years to complete—and in 1954 legislated that stevedoring companies still in Dutch hands be transferred to national companies by 15 August 1956. Despite the steady nationalisation of key sectors, the expansion of state-owned corporations and the promotion of national companies, the Indonesian economy remained dominated by foreign-owned companies until Dutch assets were seized at the end of 1957.

The Indonesian economy was devastated by the Japanese occupation and the Dutch attempt to reassert colonial rule. Despite the enormous challenges faced by postcolonial Indonesia, by 1953 national output was restored to the pre-war level of 1941 and between 1951 and 1957 grew by an average of 6 per cent per year in real terms, a higher rate than in most postcolonial countries.[17] Between 1949 and 1957 real GDP per capita grew by an annual average of 2.6 per cent. This was lower than in the Philippines (4.1 per cent) but higher than in India (2.5 per cent). In contrast, the real GDP per capita in British-ruled Malaya during these years grew by an annual average of only 0.2 per cent.[18]

Although many foreign companies in the 1950s were unable to maintain the extraordinary profits they had enjoyed under colonial rule, most remained comfortably profitable. J. Thomas Lindblad has

[16] H.W. Dick, *The Indonesian Interisland Shipping Industry: An Analysis of Competition and Regulation* (Singapore: Institute of Southeast Asian Studies, 1987), pp. 14–5.

[17] Lindblad, *Bridges to New Business*, pp. 38–9. See also Thee Kian Wie, "Indonesianization: Economic Aspects of Decolonization in Indonesia in the 1950s", in *Indonesian Economic Decolonization in Regional and International Perspective*, ed. J. Th. Lindblad and Peter Post (Leiden: KITLV Press, 2009), pp. 19–36.

[18] Daan Marks, "The Economic Consequences of Decolonization: The 'Special' Case of Indonesia", in *Indonesian Economic Decolonization*, ed. Lindblad and Post.

argued that one of the reasons Dutch firms chose to stay in Indonesia after independence was that they were still highly profitable, especially if they were reluctant to reinvest profits.[19] He has calculated that the average annual return on the investments of Dutch companies in Indonesia between 1950 and 1957 was at least 10 per cent and annual dividends averaged 5 per cent, with private companies transferring 2.46 billion guilders to the Netherlands in dividends, interest, depreciation and pensions to retired Dutch employees.[20]

Other foreign companies were just as profitable. A British government report in 1951 cited a British tea estate destroyed in the fighting between 1945 and 1949. The cost of fully rehabilitating the estate and its factory in 1950 was covered by the profit it made that year. While tea pickers were paid piece rates ranging from 85 cents to Rp.1 a day, at a time when the cost of rice was about 70 cents a kilo, the British company paid its European manager at another estate a bonus of Rp.60,000.[21] In November 1950 the British ambassador referred to a conversation with a senior representative of the large British-owned estate company P&T Land, who told him that the company expected to be nationalised within five to six years and that its policy was "to make hay while the sun, however dimly, shone, in the knowledge that they would in due course have to sell out".[22] Labour unions argued that the wage disparities between Europeans and Indonesians and the continuing high levels of profitability of foreign companies disproved assertions that worker militancy was making them economically unviable.

The fundamental cause of labour unrest in the 1950s was high inflation and, in particular, the double standards of foreign-owned companies that were quick to compensate European employees but argued they could not afford to increase the wages of Indonesian workers. At the beginning of 1950 Indonesian wage earners had suffered a massive decline in their standard of living since the last years of colonial rule. Between 1938 and 1950 the cost of living in Jakarta for an average government male worker with a wife and two children

[19] J. Thomas Lindblad, "Economic Growth and Decolonisation in Indonesia", *Itinerario* 34, 1 (2010): 103.
[20] Lindblad, *Bridges to New Business*, pp. 158–9.
[21] "Indonesian Trade Unions", a confidential report prepared for the Trade Union Congress (probably mid-1951) in FO 371/83794, p. 6, NAB.
[22] Ambassador to Foreign Secretary, 10 Nov. 1950, in FO 371/83753, NAB.

increased 1,400 per cent, far outstripping increases in wages. Between 1950 and 1957 it increased by a further 165 per cent. In Jakarta the free market price for a litre of rice—a basic item in all workers' households—increased from 68.5 cents in 1950 to Rp.1.65 in 1951 and Rp.3.54 in 1957.[23] Unsurprisingly, half of all industrial disputes in the eight years of parliamentary democracy were in 1950, when workers were trying to compensate for the massive increase in the cost of living since the Japanese occupation; and a quarter in 1951, when the cost of living increased by a further 42 per cent. Unions responded to the ongoing impact of inflation on wage earners by demanding that employers increase not just cash wages but also the in-kind provision of free or subsidised goods.

The relatively impressive increase in Indonesia's annual average GDP per capita between 1949 and 1957 masked unequal distribution and growing corruption. Import licences intended to promote national companies were manipulated to benefit a few. Complex foreign exchange rules were manipulated. Smuggling of copra, rubber and other commodities was rampant. Illicit business practices became the norm, including links with Jakarta politicians used to secure government contracts in return for donations to individuals or political parties. The army became ever more deeply involved in business, ostensibly to provide for the troops but in large part for the personal gain of officers. Corruption at the political level was rampant, creating a culture that spread from Jakarta through the bureaucracy to the provinces and municipalities. All of this distorted the economy, siphoning ever-larger sums of money into the hands of a few.

Corruption and unequal distribution exacerbated the poverty of workers not protected by strong unions. The wages of unskilled and semi-skilled labourers remained extremely low because of the large pools of unemployed and underemployed seeking whatever work they could find. State-provided social security was gradually improved from what had prevailed under colonial rule, but the weakness of national budgets meant that it could not meet the basic needs of most people. An editorial in the non-Communist railway workers' magazine in 1954 reflected the disappointment of many when it stated that "The Indonesian people and workers are waiting for outcomes from the government's efforts and not only high-sounding promises."[24] The

[23] *Statistical Pocketbook of Indonesia*, 1959, p. 232.
[24] Editorial, *Obor* 63, Oct. 1954, p. 2.

hopes and expectations that independence would usher in a new era of prosperity were fading.

Employers

Recognition of Indonesian sovereignty by the Netherlands did little to change the attitude of Dutch managers towards Indonesian workers. The managers were accustomed to colonial methods of labour control and had difficulty coming to terms with the changed power and race dynamics in the workplace. Many were reluctant to acknowledge unions as legitimate representatives of their workers and yearned for a return to the colonial days when they enjoyed almost total control over wages and conditions. They were slow to recognise that a race-based political economy enforced by the power of the state in the interests of foreign capital had come to an end. Many believed that Indonesia needed them more than ever, and some convinced themselves that the postcolonial state would quickly collapse.[25] Few understood the antipathy towards them by Indonesian elites and workers alike. In November 1951 the Jakarta representative of the Dutch maritime officers union cautioned that "The number of employers who accept that a transfer of sovereignty has brought about a real change in conditions is far too small"; he warned that "the view that 'everything will work out right' is a dangerous mistake".[26]

The continuation of colonial mindsets was most apparent on the plantations. Managers, supervisors and high-level technical staff were overwhelmingly Dutch, with a small number of Britons, other Europeans and Americans. Many of the Dutchmen had worked in the country in the last decade of colonial rule and had been interned during the Japanese occupation. On their release they returned to the plantations and tried to manage Indonesian workers as they had in 1941. A Dutch employee of a North Sumatran plantation recollected that on his return in 1947, "We just resumed our normal life in Indonesia again with all the difficulties of living on an estate, but the whole philosophy was still, well—this is not Indonesia, this was the

[25] Indeed, Lindblad has argued that the most important reason Dutch firms chose to stay in Indonesia was psychological: "the unshakeable conviction that Dutchmen and Dutch know how were indispensable to the proper functioning of the Indonesian economy." Lindblad, "Economic Growth and Decolonisation in Indonesia", p. 104.

[26] J.K.C. Muller, quoted in *PI Aneta*, 7 Nov. 1951.

Netherlands Indies."[27] In 1954, some four years after independence, the major plantation workers union was scathing of the continuing colonial mindset of European plantation managers and their powerful influence on foremen, village heads and local officials:

> They view the world as if it is still the colonial era. They regard workers as chattels to be used. Indeed, many still demand to be addressed as Kanjen Tuan Besar or at least Tuan Besar. If they speak to foremen and workers in low Javanese, they insist that they are answered in high Javanese. In this social structure managers possess considerable power in villages surrounding the plantations. Village and sub-district heads and officials from other government departments who still hold traditional attitudes are open to be influenced by managers. It is therefore not surprising that when workers take action, local instruments of the state, many of which have reactionary views, side with employers so that they can take legal action against workers.[28]

The continuation of colonial mentalities among European managers reflected a lack of understanding of workers' lives. In the 1950s European managers still rarely dealt directly with Indonesian workers, preferring to continue managing them indirectly via foremen, "trusted men" or contractors. Few understood that most workers lived from day to day. Many remained arrogant and paternalistic towards Indonesians and dismissive of the latter's demands for change. They found it hard to shake off a belief in the passive worker, who had few material needs. Those European managers who did come to terms with the post-independence world had to persuade directors in the Netherlands that they could no longer operate in the same way as they had in the past. Colonial mentalities were even more difficult to overcome among company directors. Managers found it hard to negotiate on an equal basis with Indonesian unions, and for many this was further complicated because their negotiating positions, let alone their agreements, often needed approval from the Netherlands.

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[27] Quoted in Ann Laura Stoler, *Capitalism and Confrontation in Sumatra's Plantation Belt, 1870–1979*, 2nd ed. (Ann Arbor: University of Michigan Press, 1995), p. 115.

[28] Hoetomo, "Exploitasi kolonial masih tetap berlaka di-perkebunan2", *Warta Sarbupri*, Jan. 1954, p. 48. Kanjen Tuan Besar and Tuan Besar are deferential titles indicating high rank that colonial Dutch often expected to be used when Indonesians addressed them.

The difficulty and the time involved in getting approvals exacerbated industrial disputes.

The mentalities of Britons who managed British-owned plantations, stevedoring companies and shipping lines were little different from those of Dutch managers. In June 1950 George Holt, of the British company Blue Funnel Line, questioned whether estate workers would be any better off with higher wages, arguing that "the workers themselves have no interest in saving money and becoming wealthy, and it is fully expected that, once they have fulfilled their more pressing luxury requirements, the tendency will be for wives no longer to work on the estates".[29]

In a view reminiscent of that of Dutch members of the 1920 Minimum Wage Commission, a visiting agent to a British tea plantation in Central Java in August 1950 was pessimistic about the future given the current strike, stating that "the more these people earn, the less days they work".[30] A confidential note on Indonesian labour unions prepared for the British Trade Union Congress in mid-1951 was indicative of the view of many Europeans: "The Indonesian worker is ignorant, illiterate, easily intimidated or inflamed, often in real want and, after all these years of revolutionary struggle, little inclined to listen to the voices of sweet reasonableness or the doctrine of gradualism."[31]

Race discrimination was at the heart of the colonial enterprise, and few Europeans understood the sensitivity of Indonesians to its continuation after independence. As late as 1955 a Jakarta newspaper published an article by an Indonesian woman who had been recruited by Caltex to manage the training school at its Pekanbaru oilfields, located upriver on the central coast of East Sumatra. On arrival at Pekanbaru she was shocked by the racially segregated facilities, including accommodation, swimming pools and restaurants, with those for Europeans far better than those for skilled Indonesians, let alone Indonesian labourers. She was particularly offended that lower-level Europeans were treated better than higher-level Indonesians such

[29] George Holt, Report from Jakarta, June 1950, in FO 371/83686, NAB.
[30] Extract from the report of the visiting agent (Mr Lincoln) on his visit to Medan from 26 to 28 August 1950, in FO 371/83753, NAB. On the 1920 Minimum Wage Commission, see Ingleson, *Workers, Unions and Politics*, pp. 31–5.
[31] "Indonesian Trade Unions", a confidential report prepared for the Trade Unions Congress (probably mid-1951), in FO 371/83794, NAB.

as herself. After protesting to Caltex management, she resigned and returned to Jakarta. In recounting her experience, she concluded that foreign companies had yet to learn that Indonesia was no longer a colony: "The cruel racial discrimination in the old colonial days is still fresh in our minds. But it is very surprising and dangerous that racial discrimination is still maintained in a free Indonesia. Have they by any chance forgotten there had been a devastating Pacific War?"[32]

Foreign companies accused unions of targeting them, with the tacit support of the government, while refraining from action against national companies and state-owned enterprises. They were partially right, but they were unable to understand the widespread resentment of their continued dominance of the economy and their reluctance to change colonial methods of managing labour. Unions criticised foreign companies for trying to maintain colonial-era profits at the expense of Indonesian workers. They were often prepared to make lower demands on national companies and state enterprises because, they argued, they were more ready to recognise them as legitimate representatives of workers, more willing to negotiate collective agreements and more diligent in addressing workers' grievances.

Dutch companies were members of industry associations, many of which had counterparts in the Netherlands to represent their parent companies. The overarching employer body was the Ondernemersbond van Indonesie (Employers Association of Indonesia, OBI), based in Jakarta, with branches in the major cities. In January 1950 it was taken aback by the sudden growth of unions, "like mushrooms rising from the ground", but cautioned members that this had to be considered a reality and urged them to respond by having a reasonable wage policy.[33] Three years later the OBI was alarmed by what it described as "red infection", with militant left-wing labour unions dancing to the PKI's tune. The problem of labour relations was not the "simple worker", it argued, but ideologically and politically motivated union leaders who misled them. The government was accused

[32] "American Business Companies in Indonesia and Racial Discrimination", *Star Weekly*, 23 Mar. 1955. Copy in Amconsul, Medan, Despatch no. 105, 2 June 1955, Department of State, Indonesia Labor Reports 1955–1956, NARA.

[33] The comment was made by a member of the executive of the OBI, 5 Jan. 1950, in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, 1921–1958, Inv. no. 167, NADH.

of failing to control the excessive demands of unions, instead introducing new norms into the employer-employee relationship without regard for their socio-economic consequences. Employers, the OBI argued, needed to show a united voice to the government.[34]

The inaugural minister of labour in the RIS government, Wilopo, realised the urgency of creating new processes to manage the relationship between capital and labour instead of the arbitrary ways under colonial rule. Shortly after taking office at the end of 1949 he created a separate unit within the ministry to establish contact with unions and assist in the resolution of disputes.[35] Wilopo and Suroso, his successor as minister of labour in the Natsir cabinet from September 1950, repeatedly urged employers to recognise that independence had changed the dynamics of labour relations. At the end of January 1950, for example, Wilopo was reported as saying, "I constantly tell employers that workers have the right to a reasonable livelihood."[36] In a press conference at the end of March he went further, bluntly stating that Indonesia had long been exploited by foreign capital with low wages and that this was no longer acceptable in an independent nation. The government, he said, had provided workers with the freedom to take action to improve wages and conditions, and "restrictions on labour unions cannot be defended".[37]

On his return to Jakarta at the end of April 1950, fresh from resolving extensive strikes in the Sumatran railways and plantations, Wilopo was once again critical of the attitude of many employers, particularly in the Sumatran plantation industry:

> [T]here are too many employers who are far too formal and rigid to deal with their workers properly. I made this clear in Medan, where men feel so exalted, perhaps even more exalted than the head of state, that they are apparently only able to think in figures. Half a century ago there were employers like this in the Netherlands. It was necessary that I made it loud and clear to them that their attitude was wrong.[38]

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[34] Bureau der Stichting CSWO, Report no. 17, in OBI Circular 12 Mar. 1953, p. 4, in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, 1921–1958, Inv. no. 13, NADH.
[35] *Locomotief*, 14 Jan, 1950.
[36] *Locomotief*, 25 Jan. 1950.
[37] *Merdeka*, 22 Mar. 1950.
[38] The interview was published in *Vrije Pers*, 21 Apr. 1950.

He insisted that European employers must change their colonial attitudes and negotiate with unions. Wilopo's pleas for changes to colonial mentalities, pleas repeated by successive minsters of labour, made little impact. As late as 1957, when relations between Indonesia and the Netherlands were sharply deteriorating, many foreign companies were still reluctant to negotiate with unions or even to accept the legitimacy of union representation of workers.

Wages and Conditions

Indonesia inherited a largely unregulated labour market in which companies created their own rules on wages and working conditions. Under the colonial regime there was no minimum wage, little social security, and no enforceable rules on the number of hours worked each week, rest days or annual holidays; and while some wage earners could look forward to small pensions, most could not. Among the first legislations enacted by the embattled Republic of Indonesia in 1948 were labour laws to regulate private sector wages and conditions. Major provisions included a 40-hour, six-day workweek and seven-hour workday, with overtime paid at time and a half, two weeks' annual holiday for permanent workers, tighter controls on child and female labour, and menstruation and maternity leave for women. Other clauses prohibited discrimination in the workplace and required employers to provide subsidised housing for workers. In May 1950 these labour laws were incorporated into the laws of the RIS and in August 1950 into the laws of the unitary state.[39]

The 1948 labour laws were a significant advance for workers' rights, though their enforcement was an ongoing source of conflict between unions and employers. Important though they were, they did not repeal a raft of colonial regulations, including ones giving employers the unfettered right of dismissal, and did not provide the legal framework for collective agreements or any formal mechanism for resolving industrial disputes. One of the many urgent tasks for the government in 1950 was to create postcolonial labour policies that protected the rights of workers, promoted the development of labour unions and collective agreements, acknowledged the right to collective action, and provided a mechanism for resolving industrial disputes.

[39] For a discussion of the 1948 labour laws, see Jafar Suryomenggolo, *Organising under the Revolution*, pp. 130–56.

The wage structure for Indonesian workers was complex, determined not just by the nature of the job but also by marital status, family size and gender. Many workers received an in-kind package in addition to a cash wage. In-kind packages originated on the isolated plantations and oilfields of Sumatra and Kalimantan in the last decades of colonial rule because of the shortage and high cost of food and other basic goods. After the Second World War life was difficult also for urban workers, and an increasing number of employers—including the government and state-owned enterprises—added an in-kind package to cash wages. In-kind packages invariably included subsidised or free rice and possibly items such as cooking oil, dried fish, salt and textiles.[40] The value of in-kind packages varied from company to company and from industry to industry. On North Sumatra plantations in 1951, for example, the minimum daily rate for a married man with two children was Rp.3.25 in cash and an in-kind package to the value of Rp.5.78. In the Tanjung Priok (Jakarta) harbour the in-kind component was a lower proportion of total wages, with a minimum daily wage in 1952 of Rp.5.25 in cash and an in-kind package valued at Rp.1.26.[41]

Married men were paid a higher cash wage than unmarried men, and women were paid less than men for doing the same job. Additional allowances were provided to married men for their wives and children but rarely to women, even when they were responsible for children. Additional allowances for married men applied to the in-kind component of wages as well as the cash component. For example, a married man would receive a rice allowance for himself (either free or subsidised), a smaller one for his wife and smaller ones again for each child. Many workers were also provided with a free midday meal or a small meal allowance, and some were provided with money to cover transport to and from work.

The relativity between cash and in-kind distribution in the wage system was constantly debated in the 1950s by employers, governments and unions. Employers wanted to end the free or subsidised in-kind system in favour of a cash wage only, in order to simplify a complex system, reduce areas of conflict in negotiations with unions and prevent themselves being saddled with unpredictable costs. They

[40] For a discussion of the origins of the in-kind allowances, see "Beberapa segi mengenai upah", *Tindjauan Masa'alah Perburuhan*, Jan.–Feb. 1957, pp. 6–14.
[41] *Statistical Pocketbook of Indonesia*, 1958, p. 242.

argued that they were at the mercy of the government making subsidised goods and imported rice available but that when there was a shortage it was employers and not the government that were blamed. At a time of high inflation, unions wanted to increase the in-kind component of total wages in order to shift the inflationary risk from workers to employers. Governments also favoured a continuation of the in-kind component, with the minister of labour reported to have told employers in August 1955, "If the cash wage goes up, we will never be able to reduce it, even though prices may change in the long term."[42]

The wage structure provided incentives for employers to employ female rather than male workers; younger rather than older workers; and casual, contract or piecework workers rather than permanent ones. Only a minority of workers, the so-called chief workers, were employed as permanent monthly wage earners. The majority were employed on hourly, daily or weekly wages—sometimes on a permanent basis but mostly on a temporary or casual basis—or as piecework workers. There was a large gulf in the wages and conditions of the two groups. Permanent monthly paid workers were better paid and received a range of allowances denied to the others, sometimes including an entitlement to a small pension. Employers regarded them as being in an employer-employee relationship and paid them directly. Some companies also paid permanent weekly-wage workers directly, but casual and day-wage workers were invariably paid through foremen. Indeed, many companies, including in the plantation and stevedoring industries, did not register the names of temporary or casual workers, only the names of the foremen who recruited and managed them. The system provided foremen with an additional income stream from commissions deducted from wages and further entrenched their power in the workplace.

The gender division of labour was not confined to differential rates of pay for the same job, but extended to women who were employed disproportionately on a casual basis on daily or weekly wages. This was the pattern not just on the plantations and in the textile and cigarette industries, where women made up more than half the workforce, but extended into most areas of the economy. In 1956,

[42] Private letter no. 64, Ir Seyffardt to Mr de Jonge, 2 Sept. 1955, Archief Federabo, Inv. no. 210, NADH.

for example, there were an estimated 323,942 workers in manufacturing companies employing more than 50 people, of whom about one-third were women. Of the total workforce, 85 per cent were paid daily or weekly wages and only 15 per cent were paid on a monthly basis. About 13 per cent of male workers but only 2 per cent of female workers were monthly wage earners.[43]

The most exploited workers were those recruited by labour contractors. Contractors were engaged to provide labourers at a rate lower than that paid to workers employed directly or through foremen. Payment of individual workers was left to contractors, who deducted significant commissions. The plantations and sugar mills were the largest employers of contract labour, in large part because of the seasonal nature of much of the work, but the practice became more widespread in the 1950s. As union-organised industrial action forced companies to enter into collective agreements, with higher wages and improved conditions, many responded by increasing their use of labour contractors in order to circumvent them and avoid social wage costs.

Public sector workers were divided into two distinct groups: *pegawai negeri* (civil servants) and *buruh* (workers). *Pegawai negeri* included high-level officials, supervisors, clerks, administrators, and skilled workers such as doctors, nurses and teachers. They made up about one-third of the total number of government employees. Their wages and conditions were governed by a system designed in the colonial era, the Bezoldigingsregeling Burgerlijke Landsdienaren (BBL, salary regulations for civil servants). Under Dutch rule this was a three-tier wage system with Europeans in the top tier, Eurasians and a small number of Indonesians in the second tier, and the overwhelming majority of Indonesians in the bottom tier. In 1948 the republic government renamed the BBL the Peraturan Gaji Pegawai (PGP), abolished race-based tiers and significantly decreased the gap between the lowest and highest ranks. *Pegawai negeri* received regulated wages with structured increments and additional benefits, including family allowances, cost-of-living allowances, paid holidays, sickness benefits, pensions and sometimes housing.

About two-thirds of public sector workers were employed on a temporary basis on weekly or daily wages or as contract labourers.

[43] *Statistical Pocketbook of Indonesia*, 1959, pp. 96–7.

Wages and conditions were not governed by the PGP regulations, varying from region to region and from department to department. The bulk of workers employed by the Forestry Department and the Public Works Department, for example, were day-wage labourers, as were most workers employed by municipal authorities. For many, employment was seasonal or irregular. They received few allowances above a low cash wage and none of the social wage provisions received by *pegawai negeri*. Public sector unions campaigned strongly in the 1950s, with some success, to get long-term temporary workers reclassified as permanent workers or from *buruh* to *pegawai negeri*.

Most companies made an extra payment to workers just before Lebaran (Idul Fitri) in recognition of the extra costs associated with the celebrations that marked the end of the Ramadan fasting month. Some also provided textiles or food. In 1950 the extra payment was mostly in the form of advances to be repaid through deductions from wages in the months after Lebaran, though sometimes they were made as non-repayable gifts. Lebaran payments seem to have been introduced during the Japanese occupation, when life for most people was particularly difficult.[44] They were incorporated into wage structures in the republic and in Dutch-controlled territory between 1945 and 1949. By 1950 they were regarded by workers as an integral part of their income. There was no legal requirement for Lebaran payments, and companies made decisions from year to year, often very close to the Idul Fitri holiday. This uncertainty created a great deal of anxiety among workers who depended on the extra money. Few would have had any savings to fall back on, and it was common for people to go into debt, or more likely greater debt, at this time of the year. Conflicts between workers, unions and employers were exacerbated in the early 1950s because in most cases Lebaran payments were made only to permanent and monthly paid workers. The lowest-paid workers—temporary, day-wage, casual, piecework and contract labourers—were excluded. Unions refused to accept that in an independent Indonesia the lowest-paid and most insecure workers should be discriminated against in this way.

The situation was little better for government employees. The government made Lebaran payments, but the nature of the payments —whether an advance to be repaid or a gift—and the lateness of

[44] See a brief discussion in *Tindjauan Masa'alah Perburuhan*, Apr.–May 1951, p. 81.

decisions most years led to regular protests from public sector unions. Until 1954 it also restricted payments to permanent workers. Budget constraints resulted in inconsistencies from year to year. In 1950 payments were made as an advance that had to be repaid, in 1951 and 1952 they were made as gifts, but in 1953 again they were treated as an advance. Strikes over Lebaran payments were largely confined to the private sector, but both public and private sector unions demanded legislation to regulate the payment of an extra month's wages. Public sector unions were also opposed to government enterprises, such as the railways and the postal service, making decisions at variance from those of the government itself.

Annual bonuses were another constant source of friction. For decades they had been a regular part of the salary structure for European employees of foreign companies. Many companies seem to have extended them to Indonesian workers after the reimposition of Dutch rule in 1946, in part as compensation for post-war inflation and in part as a way of retaining key workers during the conflict with the republic. Like the extra payments for Lebaran, annual bonuses were at the discretion of employers. They were paid only to permanent employees, varied from year to year—ostensibly depending on profitability in the previous year—and were a percentage of monthly wages, with companies generally paying Europeans higher percentages than Indonesians. The Indonesian government argued that annual bonuses were in effect profit sharing and should be directly linked to the previous year's profit. Unions argued for a consistent percentage each year, but most were prepared to negotiate lower percentages for industries in financial difficulty. They strenuously objected, though, to race-based differentials and to inconsistencies between companies in the same industry and city. Consistent with their concern for the lowest-paid workers, they fought to get annual bonuses extended to day-wage, seasonal and contract workers.

The Harbours and Plantations

Labour unrest was endemic in the harbours and the plantations, both of which were dominated by foreign-owned companies, largely Dutch, with long records of poor wages and conditions and a reliance on high levels of casual or contract labour. They were also two of the most unionised workplaces. The Indonesian economy was based on commodity exports that depended on the smooth operation of the harbours. The harbours were doubly important because Indonesia

needed to import rice to feed its growing population as well as import the raw materials for its textile, metal fabrication and manufacturing industries.

The life of Indonesian dockworkers had much in common with that of dockworkers elsewhere in the world.[45] Before the introduction of mechanisation, and especially containerisation, work on the docks involved hard physical labour, irregular and indirect employment, and low wages. Most dockworkers and workers on the inner-harbour lighters were casual day-wage labourers recruited by foremen or helmsmen through personal linkages with nearby rural areas. Indonesian dockworkers, like their counterparts elsewhere, had a strong sense of community, because of shared work experience and living close together in poor neighbourhoods adjacent to the harbours.[46]

Five major harbours had dominated the import/export trade of Indonesia since the late 19th century: Jakarta (Tanjung Priok), Semarang and Surabaya (Tanjung Perak) in Java, Belawan on the east coast of Sumatra, and Makassar in Sulawesi. The Dutch shipping companies—KPM, Rotterdam Lloyd and the Netherlands Shipping Company—owned large barrack complexes in Jakarta, Surabaya and Belawan (known as Unie Kampung), in order to maintain a regular workforce under close supervision.[47] In late 1948 the Unie Kampung at Tanjung Priok was home to about 4,800 harbour workers and their families, or around one-quarter of the average daily labour force. Workers from the Unie Kampung had first call on work in the harbour, but the vast majority were employed on a casual basis.[48] A large percentage of the total harbour workforce was employed by

[45] See, for example, Colin J. Davis, *Waterfront Revolts: New York and London Dockworkers, 1946–61* (Urbana: University of Illinois Press, 2003); and Frederick Cooper, *On the African Waterfront: Urban Disorder and the Transformation of Work in Colonial Mombasa* (New Haven: Yale University Press, 1987).

[46] See John Ingleson, "Life and Work in Colonial Cities: Harbour Workers in Java in the 1910s and 1920s", *Modern Asian Studies* 17, 3 (1983): 455–76. Conditions had changed little in the 1950s.

[47] On the Tanjung Priok (Jakarta) Unie Kampung and the emergence of unions in the harbour, see Razif, "Buruh Pelabuhan Tanjung Priok"; and on the Semarang Unie Kampung, see Supriyono, "Dekolonisasi dan Pemogokan Buruh di Pelabuhan Semarang: Kesinambungan dan Transformasi", in *Dekolonisasi*, ed. Erwan and Saptari, pp. 55–91. For a discussion of the formation of the Unie Kampung, see Arjan Veering, "Breaking the Boundaries", in *Cars, Conduits and Kampongs*, ed. Freek Columbijn and Joost Cote (Leiden: Brill, 2015), pp. 213–47.

[48] *Kapal Tudjuh* 4, 4 (1956): 15.

labour contractors. In the Surabaya harbour about 50 per cent of workers were contract labourers recruited from villages in East Java.[49] Of the 1,705 workers employed by the major stevedoring company in the Makassar harbour in 1953, 52 were foremen employed directly by the company and 1,653 were casual day-wage workers, half recruited and paid by foremen and half by labour contractors.[50]

Over 70 stevedoring, warehouse and drydock companies operated in the Indonesian harbours in 1950. The major shipping companies were vertically integrated with agents managing operations in the ports. Alongside these large companies were specialist companies that owned warehouses, provided lighting and stevedoring services, or operated drydock facilities in Jakarta and Surabaya. Most were Dutch owned, but some were owned by British interests and a few by Chinese-Indonesians.

In November 1948 there was a major investigation into working conditions in the harbours by the Labour Inspectorate, a unit of the Labour Office that had been established by the colonial government in 1921.[51] The report focused on day-wage and casual labourers who loaded and unloaded goods from ships and warehouses and who worked for a few months in the harbours before returning home and being replaced by others from the same region. The demand for labour varied greatly from day to day, depending on the number of ships in the harbour. Clerks informed foremen each day of labour requirements for the following day and paid them according to the number of workers in their gangs. Foremen were responsible for the allocation of tasks to individual workers and for deciding how much each got paid.

This system suited both employers and those who recruited and controlled labour. Employers did not have to worry about recruiting workers. They could employ as many or as few as they liked and avoid the social wage costs of workers living in the Unie Kampung. Foremen took a cut from labourers' wages—the 1948 inquiry put their commission at between 10 per cent and 30 per cent—as well as

[49] *Merdeka*, 16 June 1950, quoting an interview with a maritime union leader.
[50] The employment details in the Makassar harbour are outlined in *Tindjauan Masa'alah Perburuhan*, Aug. 1955, pp. 8–9.
[51] An extensive summary of this report was published in a number of Dutch-language newspapers in Indonesia. See, for example, *Vrije Pers*, 18 and 20 Jan. 1950.

commissions for providing other services, such as lodgings in boarding houses. Contractors took a further cut.[52] Although employment of underage workers was illegal, over two days at Tanjung Priok the Labour Inspectorate counted 1,472 people under 14 years of age working in the harbour.

The Labour Inspectorate survey showed not just the low wages of harbour workers but also the difficult conditions in which they worked. The work was heavy and the workday long. A lack of drinking and washing water in the Tanjung Priok precinct forced low-paid workers to buy water from water sellers. There was also a shortage of toilets and inadequate canteen facilities, with workers frequently complaining about the poor quality of food. In the absence of paid sick leave or a social security net, workers were reluctant to attend free company-owned harbour polyclinics when they were ill for fear of being declared unfit for work. They preferred to struggle on rather than lose the only work they could get.

Life for workers on the plantations of Sumatra and Java was also tough. The tobacco, rubber and oil palm plantations in North Sumatra and surrounding Deli on Sumatra's east coast had been built on imported indentured labour, disciplined by a harsh regime of punishments sanctioned by the colonial state. In the words of the chairman of the Java Sugar Syndicate[53] in 1928, the primary responsibility of the industry was to make a profit, not to look after the interests of the Javanese.[54] Between 1870, when private companies were first permitted to acquire land, and the beginning of the worldwide Great Depression in 1930, tens of thousands of Chinese were brought from impoverished southern China, via agents in Hong Kong and Singapore. Even larger numbers of Javanese were recruited each year from the densely populated villages of Central and East Java.

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[52] For example, at the Harrisons & Crosfield company in the Belawan harbour, day-wage labourers earned four guilders per day in early 1950. Twenty cents was deducted by foremen and another 30 cents by labour contractors. Labourers at another company in the same harbour were even worse off, with foremen taking 20 cents and labour contractors 80 cents from the labourers' four-guilder-a-day wage. See *Waspada*, 14 Jan. 1950.

[53] Algemeen Syndicaat van Suikerfabrikanten in Indonesia (General Syndicate of Java Sugar Manufacturers in Indonesia)

[54] Speech of Mr H. Jelgerhuis Swilders, chairman of the Java Sugar Syndicate, to the Tenth Sugar Congress in Surabaya in April 1928, reported in Beniso circular to members, B1139-6, May 1928, in Archief NHM, Box 6771, NADH.

In Java a well-organised network of labour recruiters enticed landless rural poor to place their marks on labour contracts by painting a rosy picture of a better life in Deli and the prospect of returning to Java with enough money to buy land.[55]

Women from the poorest areas of Java were also enticed to Sumatra. Some were married to contract labourers; others married contract labourers after they arrived; and many survived by providing female companionship to Javanese, Chinese and European workers. Many contract labourers renewed their unequal contracts beyond the initial three-year term, either because they had racked up debts that they could not repay or because they saw no other future for themselves. Others became free labourers, putting down permanent roots in Sumatra. By 1930 about one-third of the Javanese in Sumatra were no longer part of the estate workforce. The collapse of the international rubber and tobacco markets as a result of the depression, and the introduction of production quotas in rubber, brought an end to the indentured labour system and the penal sanctions associated with it.

In the immediate post-war years there was a significant labour shortage on the Sumatran plantations. Plantations had fallen into disrepair during the Japanese occupation, and workers had drifted away in search of a livelihood. Many resorted to squatting on land formerly leased by plantations, and by the end of the war villages had been established that resisted attempts by foreign companies to reclaim use of the land. Others made a living during the Japanese occupation and in the years after the declaration of independence by tapping rubber trees on the fringes of former estates and selling the sap on their own account. When plantations began to reoccupy their land and rebuild their processing factories, they found it impossible to get enough local labour at the low wages offered. In 1951 and 1952 they once again imported labour from Java despite union protests that it was simply a way of keeping wages low.

In contrast to Sumatra, plantations on Java were more closely integrated into the village economy. The sugar industry in East and Central Java leased land from peasant farmers on a rotational basis and depended on landless labourers for the cultivation of sugar cane and seasonal work in the nearby mills. The lease of land and the

[55] Stoler, *Capitalism and Confrontation*, is the classic account of the Deli plantations and their workforce.

recruitment of labour on favourable terms were achieved with the support of colonial officials, both Indonesian and Dutch. The plantations in West Java, dominated by tobacco, tea and coffee, owned large tracts of land and also depended on seasonal labour from nearby villages to plant, weed, pick and process the crops.

The structure of work on the plantations complicated the efforts of labour unions in the 1950s to recruit members and organise collective action. Unions had to organise in workplaces with a gendered division of labour, large seasonal workforces, and a predominance of day-wage and contract labourers dependent on foremen and contractors. There were also significant status divisions between administrative workers, pay clerks, skilled workers and others who worked in and around the processing plants, and those who worked in the fields. On the North Sumatra plantations status differences were compounded by ethnic differences. Lower-level clerks and foremen were predominantly Toba, Mandailing or Batak, whereas the bulk of the workforce was Javanese.[56]

The plantations employed Indonesian administrative, clerical and skilled workers, including rubber tappers; but the overwhelming majority of Indonesian workers were engaged in relatively simple, yet often physically demanding, work in the fields and the processing plants. Over half of the workers were women. Some were permanent domestic workers, but most were employed on a day-wage, seasonal or piecework basis in jobs ranging from tea pickers and plantation weeders to sorters and packers in the processing sheds. On the rubber plantations permanent workers outnumbered temporary and casual workers, largely because of the importance of skilled tappers; but on all other plantations temporary and casual workers outnumbered those in permanent employment. An investigation into 37 tea, rubber and coffee plantations in Sukabumi, West Java, in April 1957 illustrates the insecure nature of employment. Of the 17,993 workers on these plantations, 444 were classified as administrative or technical workers and 17,549 as ordinary workers, 49 per cent of whom were classed as skilled and 51 per cent unskilled. The plantations directly employed 41.5 per cent of the ordinary workers as day-wage labourers, with the remaining 58.5 per cent employed by labour contractors.[57]

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[56] Stoler, *Capitalism and Confrontation*, p. 107.
[57] *Tindjauan Masa'alah Perburuhan*, Aug. 1958, pp. 12–3.

Permanent workers were regarded as employees and paid directly, whereas temporary day-wage and casual workers were recruited and paid by foremen or labour contractors. Many workers were paid piece rates, and a large proportion were employed for the planting and harvesting seasons, often on an annual basis. Foremen and labour contractors were crucial people on the plantations, recruiting, paying and controlling work gangs and in the process deducting commissions from workers' wages. Wages and conditions were at the discretion of individual administrators and determined by market forces. They were lowest in heavily populated Central Java, where the Ministry of Labour estimated they ranged from 80 cents to Rp.1 a day in 1950.[58]

The Cold War

As the largest country in Southeast Asia, astride important sea routes, Indonesia was of considerable strategic importance to the West at a time of geopolitical conflict between the West and the Soviet Union. Western countries sought to counter the influence of the Communist World Federation of Trade Unions (WFTU) in Asia, Africa and South America by channelling funds into anti-Communist organisations. The victory of the Chinese Communist Party in 1949, followed by the outbreak of the Korean War in 1950, shook Western governments and aroused alarm about the spread of Communism into Southeast Asia. Since 1945 France had been fighting the Viet Minh to recreate colonial rule in Vietnam, in a war that was increasingly viewed through the lens of the Cold War. In Malaya, Singapore, Sarawak and Sabah, Britain was trying to control the process of decolonisation while protecting its economic and strategic interests. In Malaya it was engaged in military conflict with the Malayan Communist Party, and in Singapore it was faced with militant Communist-led unions. In the Philippines the newly independent state was fighting a Communist-led rural rebellion.

Western countries became increasingly concerned in the 1950s by what they saw as unstable Indonesian governments and a resurgent PKI. They were particularly worried by the growing influence of Sobsi and feared that union militancy and political unrest would

[58] "Pemogokan Umum Sarikat Buruh Perkebunan Republik Indonesia (Sarbupri)", Yogyakarta, Ministry of Labour, 18 Sept. 1950, p. 3, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3022, ANRI.

strengthen the PKI's ultimate goal of taking over the state. The PKI's success in the 1955 national elections only increased this concern. As a result, the United States increased its support of anti-Communist politicians and army officers and from late 1956 provided covert support, including arms and equipment, to the Sumatran and eastern Indonesian regional rebellions against Jakarta.

The US labour attaché in Jakarta closely monitored Indonesian labour unions and maintained contact with non-Communist union leaders. The US embassy in Jakarta and the International Cooperation Administration (ICA) funded programmes for the Ministry of Labour and together with private bodies such as the Rockefeller Foundation sponsored short-term training and formal education programmes for officials and union leaders. Between August 1951 and the end of 1956, the ICA labour programme funded 107 Indonesians from 17 individual non-Communist unions as well as the Ministry of Labour for training programmes in the United States.[59] The United States also supported efforts by the American Federation of Labor to influence the direction of the Indonesian labour movement.

Britain also monitored Indonesian labour unions through its consulate in Medan, which focused on the plantation industry in Sumatra—where British companies had significant investments—as well as through its Singapore-based Southeast Asia labour attaché. The British government supported its Trade Union Congress to develop links with non-Communist unions in its Malaya and Singapore colonies as well as in Indonesia.[60] The Netherlands high commission and its consulates in Medan, Palembang, Bandung, Surabaya and Makassar provided a steady stream of information on union activities and maintained close links with Dutch businesses. However, the Netherlands' relationship with anti-Communist unions was limited by the legacy of four years of fighting the republic and the unresolved issue of West Irian.

Britain, the United States and the Netherlands all supported efforts by the International Confederation of Free Trade Unions (ICFTU) to establish a foothold in Indonesia in order to counter

[59] "Report of Labor Attaché on the ICA Labor Program in Indonesia", in Amembassy Jakarta, Despatch no. 141, 2 Oct. 1956, p. 18, in Department of State, Indonesia Labor Reports 1955–1956, NARA.
[60] Nicholas J. White, "The Limits of Late-Colonial Intervention", *Indonesia and the Malay World* 36, 106 (2008): 429–49.

the influence of the WFTU. Established in 1949 by Western trade unions, during the Cold War the ICFTU actively promoted anti-Communist unions in Europe, South America and Asia, often with financial support from the United States. With encouragement from the British government, in 1950 the ICFTU established an office in Singapore and quickly followed with an office in Kuala Lumpur, the capital of the Federation of Malaya. In 1951 it established an Asia Regional Organisation in New Delhi, and in 1952 it created an Asia Trade Union College in Kolkata to train young union leaders in Asian countries. An ICFTU mission visited Indonesia briefly in December 1949, and in 1954 it established a representative office in Jakarta staffed by the former Swedish union leader Kurt Larssen. Larssen was in contact with major anti-Communist unions, but these unions were reluctant to become associated with the ICFTU because of its close connections to Western political interests.

Nevertheless, Larssen and the American and Netherlands labour attachés persisted in trying to cultivate anti-Communist unions. Their efforts were rewarded in July 1957, when a delegation from the three Islamic unions attended the fifth ICFTU world congress, and in September, when the Serikat Buruh Islam Indonesia (Union of Indonesian Muslim Workers, SBII) applied for membership.[61] The importance of Indonesia to the ICFTU can be seen in the ICFTU general secretary's optimistic statement that this was "of exceptional significance, and one of the most important events in the Asia trade union movement that has taken place in recent years".[62] This marked the beginning of a new stage in ICFTU involvement in Indonesia, with an increased effort to persuade other anti-Communist unions to follow the lead of the SBII.[63]

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[61] See Amembassy, TOICA A-72, 16 July 1957, in Department of State, Indonesia Labor Reports 1957, NARA; and Central Executive Board SBII to ICFTU Representative in Indonesia, 21 Sept. 1957, in ICFTU Archive, Inv. no. 3462, IISG.

[62] General Secretary to ITF Representative, Asia, 4 Oct. 1957, in ICFTU Archive, Inv. no. 3462, IISG.

[63] See "Press Release ICFTU", 7 Nov. 1957; and "The Education and Training Programme of SBII in January 1955 Next Year", S. Narto General Secretary, New Delhi, 28 Nov. 1957, in ICFTU Archive, Inv. no. 3462, IISG.

2

Unions, Federations and Politics

Most unions joined regional or national federations, aware that union solidarity increased their bargaining power with employers and their lobbying power with the government. Sobsi was by far the largest and most influential of the federations. Its members included most of the major private sector unions as well as most of the unions for lower-level public sector workers. The resurgence of Sobsi and the recruitment of hundreds of thousands of workers by its affiliated unions alarmed anti-Communist political parties worried about the growth of the PKI. Their immediate concern was that Sobsi unions would use their extensive branch networks, their large memberships and their successful industrial campaigns to mobilise workers to vote for Communist candidates at municipal, provincial and national elections. They tried to counter this by creating their own unions, in a move that the chairman of Masyumi privately described as creating ideological fences around workers before national elections.[1] Rivalry between Sobsi unions and unions linked to the Islamic party (Masyumi), the socialist party (PSI) and the nationalist party (PNI) was particularly intense, spilling over into inter-union tension in the workplace. There was much talk of creating a coalition of anti-Communist unions, but competition among them was as strong as their opposition to Sobsi. Their failure to challenge Sobsi unions resulted in Indonesian political, bureaucratic and military elites becoming less sympathetic towards organised labour.

[1] Natsir made this comment to an official of the US embassy in Jakarta in mid-1955. See Amembassy Jakarta, Despatch no. 13, 7 July 1955, p. 18, in Department of State, Indonesia Labor Reports 1955–1956, NARA.

The Labour Movement at the End of 1949

There were recorded spontaneous protest actions by workers in the 19th century, but it was not until the formation of unions in the 1910s that underlying discontent was converted into organised action. Widespread industrial unrest after the end of the First World War, allied to an increasingly vociferous nationalism and the emergence of the PKI, shook the comfortable beliefs of the European community in the colony. The colonial state responded with draconian laws, enhanced surveillance, and the use of the police and territorial army to suppress collective action. The first phase of the Indonesian labour movement ended with the failed PKI rebellion at the end of 1926. Unions connected to the PKI were banned, and employers worked closely with the coercive instruments of the state to keep workers in their place. In the last decade and a half of colonial rule the state restricted union access to workers and made industrial action almost impossible. A less confrontational labour movement was dominated by unions for workers in the public sector, with its leaders forced to rely on political skills rather than industrial tactics to defend workers' interests. In March 1942, just as unions were recovering from the 1930s depression and once again organising private sector workers, Japan occupied Indonesia and brought union activity to an end.[2]

The defeat of Japan and the proclamation of independence in August 1945 released long-suppressed social forces in Indonesia. The British Southeast Asia Command had the task of disarming the Japanese military and holding the country until the Netherlands was able to assemble its forces to reinstate colonial rule.[3] However, the Southeast Asia Command was unable to land troops in Java until late September. The six-week vacuum was filled by disparate social and political forces as well as by armed local groups.[4]

In the vacuum of authority some Japanese company managers sequestered during the occupation handed over control to Indonesian

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[2] See John Ingleson, *In Search of Justice: Workers and Unions in Colonial Java, 1908–1926* (Singapore: Oxford University Press, 1986); and *Workers, Unions and Politics*.

[3] The first Dutch forces landed in Java in March 1946.

[4] There is an extensive literature on the Indonesian revolution. See in particular Kahin, *Nationalism and Revolution in Indonesia*; Benedict R. O'G. Anderson, *Java in a Time of Revolution: Occupation and Resistance, 1944–1946* (Ithaca: Cornell University Press, 1972); and Anton Lucas, *One Soul, One Struggle: Region and Revolution in Indonesia* (Sydney: Allen & Unwin, 1991).

workers. Others simply abandoned their posts. In the excitement of independence, workers seized the initiative, formed workplace committees, and elected the more skilled and senior among them to manage the enterprises. Seized assets were declared property of the Indonesian state or of workers themselves. In Java workers took control of railway stations, workshops, factories and utilities in the towns and cities, as well as plantations, oilfields and refineries.[5]

Spontaneous actions of workers were accompanied by the formation of unions. Pre-war union activists, former political prisoners from the Dutch prison camps in West Irian, people who for many years had been forced to hide their Marxist convictions and people with influence in workplaces seized the opportunity to organise workers. By the end of 1945 there were dozens of small local unions, including for dockworkers in the major ports, plantation workers in Sumatra and Java, railway workers, and oil industry workers.[6]

In January 1946 the republic government retreated from Jakarta to a more secure base in Yogyakarta, Central Java. It was not until March, though, that it was strong enough to exert control over what it described as "anarchic syndicalism" by replacing worker control in key industries in the republic with government-appointed managements.[7] It was worried by the growth of left-wing political forces and convinced of the need to demonstrate effective control in order to get international support against the Netherlands.

The Netherlands' reoccupation of Indonesia's major cities and the forced retreat of the republic into Central Java changed the nature of the revived labour movement. In November 1946, with the military conflict intensifying, the two major labour union federations in the republic amalgamated to form Sobsi. Sobsi was closely aligned to the revived PKI, but in the face of a common enemy both Communist and non-Communist unions joined forces. However, the unity was short-lived. On May Day 1948 Sjamsu Harja Udaja, head of the sugar workers union, and Kobarsih, head of the electricity workers union, formed the rival Communist federation Gabungan Serikat Buruh Revolutioner Indonesia (Federation of Revolutionary

[5] For a discussion of the unilateral actions of workers in urban and rural Java in the first few months after the declaration of independence, focusing especially on the actions of railway workers, see Jafar Suryomenggolo, *Organising under the Revolution*.

[6] See Anderson, *Java in a Time of Revolution*, esp. pp. 212–9.

[7] See Anthony J.S. Reid, *Indonesian National Revolution 1945–50* (Melbourne: Longman, 1974), pp. 124–5.

Labour Unions, Gasbri). They were followers of the national Communist Tan Malaka and critical of the PKI's acceptance of the 1946 Linggajati and the 1948 Renville Agreements between the republic and the Netherlands that recognised Dutch control over large parts of the country.[8]

Cooperation between Communist and non-Communist unions in Sobsi ended in September 1948, after left-wing forces at Madiun, East Java, supported by elements of the PKI tried to overthrow what they saw as a reactionary republic government. Sobsi was not directly involved in the uprising, but many of its leaders were implicated because they were members of the PKI. Some were executed and many others jailed.[9] Neither Sobsi nor the PKI was banned, largely because the republic government did not want to create martyrs, but the taint of Madiun ensured that in the 1950s Indonesian political, bureaucratic and military elites were deeply suspicious of the long-term intent of both organisations.

In the aftermath of the Madiun uprising 19 unions withdrew from Sobsi. Fourteen of them formed a new federation, the Persatuan Organisasi Buruh (United Organisation of Workers, POB). All but two were public sector unions based in the republic's capital of Yogyakarta. The other five unions for higher-level government employees based in the neighbouring city of Solo formed the Ikatan Central Organisasi Serikat Sekerja (Central Organisation of Labour Unions, ICOSS). There were now four labour federations in the republic: Sobsi, Gasbri, POB and ICOSS. Two months later the Netherlands attacked Yogyakarta and captured the republic's political leaders, bringing labour union activities to a halt.

In May 1949, under pressure from the United States and the United Nations, the Netherlands began to negotiate its withdrawal from Indonesia. As a first step the republic government was reinstated in Yogyakarta. With Dutch recognition of Indonesian independence now only a matter of time, Sobsi, Gasbri, POB and ICOSS made another attempt to create a single labour union federation. In September they agreed in principle to amalgamate, but with Sobsi having a different view from the others on the structure of the new federation, the initiative quickly collapsed. When Sobsi accepted an

[8] On the formation of Gasbri, see Sutter, *Indonesianisasi*, p. 574; and Harry A. Poeze, *Verguisd en Vergeten: Tan Malaka, de links beweging en de Indonesische Revolutie, 1945–1949* (Leiden: KITLV Press, 2007), esp. pp. 713–4.

[9] On the Madiun uprising, see Swift, *Road to Madiun*; and Kahin, *Nationalism and Revolution in Indonesia*, pp. 256–304.

invitation to attend the WFTU's Asia-Australasia Workers Congress in Peking (Beijing) in October 1949, the POB and ICOSS reacted by amalgamating into the anti-Communist Gabungan Serikat Buruh Indonesia (Federation of Indonesian Labour Unions, GSBI).[10]

With the end of Dutch occupation in sight, new labour union federations were formed in Dutch-occupied territory. The largest was the Badan Pusat Serikat Sekerja Djawa Barat (Central Organisation of Unions in West Java, BPSS), formed in Bandung in May 1949 by 34 unions. Its members were mainly public sector unions.[11] In a symbolic move on Independence Day, 17 August 1949, a BPSS congress in Bandung announced the formation of a new organisation with the aspiration of its becoming the single labour union federation in independent Indonesia. This aspiration was quickly dashed after unions in Netherlands-controlled Jakarta and Central Java sympathetic to Sobsi would only agree to discussions after the Dutch had formally recognised Indonesia's sovereignty and Sobsi was able to regroup.[12]

During 1946–49 labour unions were heavily constrained in both Netherlands-controlled territory and the republic. In territory controlled by the Netherlands, there were more than 100 unions and 17 city-based federations, but pre-war restrictions remained in place and unions were under close surveillance.[13] In the republic there were four labour federations and at least eight unions, but with survival at stake they focused on marshalling workers' support for the struggle against the Dutch.

Sobsi

Sobsi was the PKI's most important mass organisation during the parliamentary democracy years. Central leaders acknowledged its connection to the PKI but denied that it was under Party control, pointing to its constitution to support their claim to independence.

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[10] Sandra, *Sedjarah Pergerakan Buruh Indonesia* (Jakarta: P.T. Pustaka Rakjat, 1961), pp. 71–80; High Commissioner to Minister of Foreign Affairs, 28 Apr. 1951, Archief Ministerie van Buitenlandse Zaken, 1945–1954, Inv. no. 12252, NADH; "Riwajat berdirinja GSBI", *Suara Buruh Pegadaian*, 25 Aug. 1950, p. 191.

[11] For a detailed report, see Acting Netherlands Consul Bandung to High Commissioner, 31 May, 7 June and 24 June 1951, in Archief Hoge Commissariaat Indonesie, 1949–1961, Inv. no. 316, NADH.

[12] See Parket van de Procureur-Generaal, Dienst Den Algemene Recherche, "Samenvattende Nota betreffende de Indonesische-, Chinese-, en Europese Vakbeweging", Bijlage 1, in Archief Algemeene Secretarie, Inv. no. 68, NADH.

[13] Ibid.

They argued that when any Sobsi leader stood in local, regional or national elections they did so as individuals and that members of affiliated unions were free to join parties of their choice. In reality, Sobsi's central bureau was controlled by prominent members of the PKI and it adhered to PKI national and international policies.

The Madiun uprising severely weakened Sobsi. Before Madiun Sobsi claimed to have a membership of 1.5 million in 34 affiliated unions, but at the transfer of sovereignty in December 1949 it claimed only 220,000 members in 16 affiliated unions.[14] Its immediate task was to rebuild the organisation and re-establish itself as the voice of Indonesian workers. Within six months it had once again become the dominant labour union federation, with branches in the major cities of Java and Sumatra and over 30 affiliated unions.

Sobsi's revival owed much to a talented, energetic and stable leadership that devoted most of their time to Sobsi and its affiliated unions. Three of its key leaders were Njono, Munir and Tjugito.[15] All were in their mid- to late 20s and had been union activists since the declaration of independence in 1945. Njono, elected secretary-general at the first Sobsi congress in September 1952, had been a

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[14] Sobsi statement at a press conference, reported in *Aneta*, 10 Nov. 1948, reprinted in Archief Algemeene Secretarie, Inv. no. 73, NADH.

[15] Njono was born in Cilacap, Central Java, in 1923. His father was a railway worker. After the declaration of independence in August 1945 he was active in the Barisan Buruh Indonesia in Jakarta. The first national congress of Sobsi elected him secretary-general of the central bureau, to which he was re-elected at the second national congress in 1955. He was a member of the central executive of the motorised drivers union Serikat Buruh Kendaraan Bermotor (SBKB).

Munir was born in Madura in 1925. In 1946 he became the deputy chairman of the Pusat Pemuda Tani Indonesia. In March 1947 he was one of the founders of the drivers union Serikat Buruh Mobil in Jakarta and became its deputy chairman. On the amalgamation of ten unions for drivers, he became chairman of the SBKB. At the end of 1948 he founded the dockworkers union Serikat Buruh Perkapalan, which in 1949 became the Serikat Buruh Kapal dan Pelabuhan and in October 1950 fused with the Serikat Buruh Laut dan Pelabuhan to become the Serikat Buruh Pelabuhan dan Pelajaran Indonesia. In June 1950 he became chairman of the Jakarta Raya branch of Sobsi, and when the Sobsi central bureau moved to Jakarta at the beginning of 1951 he became a member of its organisation department and in October 1952 its deputy secretary-general.

Tjugito was born in Blora, East Java, in 1921. His father was a village teacher. In 1941 and 1942 he was a member of Gerindo and leader of the Surabaya branch of the drivers union, Persatuan Sopir Indonesia. In 1950 he became a PKI representative in the DPR. He was chairman of the sugar workers union, Serikat Buruh Gula, and a member of the Sobsi central bureau.

See biographies in *Harian Rakjat*, 10, 13 and 15 Sept. 1955.

member of a nine-person Sobsi delegation to Beijing in October 1949. Munir was his deputy. Tjugito, the eldest of the three, had been a member of Gerindo, the radical nationalist party, in 1941 and leader of the Surabaya branch of a pre-war union for chauffeurs and taxi drivers. Tjugito and Munir were PKI members, with the former a PKI representative in the national parliament. Njono became a PKI member only in November 1955, but his political sympathies had long been with the Party. In 1955 Tjugito became a member of the PKI central bureau.

Sobsi was a member of the WFTU and an active participant in international labour organisations linked to it. Njono, Munir, Tjugito and Ruslan Widjasastra (Sobsi's second secretary-general) were appointed to the WFTU executive in August 1953, and in October that year Njono became vice-president. In October 1953 Tuk Subianto, general secretary of the Serikat Buruh Pelabuhan dan Pelayaran Indonesia (Indonesian Dockworkers and Seamen's Union, SBPP), became a member of the administrative committee of the transport and forestry section of Trade Union International and Tjugito president of the administrative committee of its agricultural and forestry workers section.[16]

The WFTU and Communist countries provided Sobsi with significant patronage. They sponsored activists to attend meetings and go to China, the Soviet Union and East European countries for May Day celebrations, fraternal visits and training programmes. No other Indonesian labour union federation could match the number of sponsored overseas trips offered by Sobsi. Membership of the WFTU enabled union activists to engage directly with political leaders in the Communist Bloc as well as with leaders of Communist unions in the West. Attendance at WFTU conferences provided an international platform for sharing Indonesian industrial and political issues. They were an important part of the ideological education of central leaders of Sobsi and its affiliated unions, with informal discussions providing practical insights into the organisation of left-wing unions in the West.[17]

Sobsi's message to Indonesian workers built on the nationalist narrative and the history of the colonial labour movement. In speeches

[16] See British Ambassador to Secretary of State for Foreign Affairs, Jakarta, 7 Oct. 1954, in FO 371/112144, NAB; and *Bulletin Sobsi*, 21 Mar. 1955.

[17] For a discussion of the internationalism of Sobsi, see Vanessa Hearman, "Indonesian Trade Unionists, the World Federation of Trade Unions and Cold War Internationalism 1947–1963", *Labour History* (Nov. 2016): 27–44.

and writings Sobsi leaders denounced colonialism, foreign capitalism and the exploitation of Indonesian workers and spoke of the heroic struggle of workers against a repressive colonial regime. Workers were reminded of the militant labour unions of the 1920s and of the strikes in the sugar industry, the railways and Surabaya factories. The 1926 PKI uprising and the mutiny of Indonesian sailors on the Netherlands-Indies warship *De Zeven Provincien* in 1933 were celebrated as key moments in the history of the labour movement, along with workers' sacrifices during the Japanese occupation and the fight against Dutch reoccupation.[18] Workers were assured that the "tides of history" were on their side and that through collective action they could end hundreds of years of exploitation. Their struggle for better wages and conditions was described as *layak dan adil* (fair and reasonable), and they were assured of Sobsi's commitment to the defeat of Dutch monopoly capitalism in order to achieve "complete freedom". Sobsi leaders repeatedly spoke of the "failure of the revolution", of Indonesia being "half free" and of workers being unable to see the difference from colonial days because of continued Dutch management of Dutch companies.

Sobsi was adept at using mass meetings, demonstrations and the media to position itself at the centre of the labour movement. The red flag was a common sight during strikes, flown at meetings of strikers, carried aloft on marches and used to mark picket lines. Sobsi was the main force behind annual May Day rallies, often hosting visiting speakers from Europe and Australia, and it was a constant lobbyist of cabinet ministers and members of parliament. Its lobbying was helped by its members, and those of the PKI, in the national parliament who used every opportunity to advocate the cause of Sobsi unions.[19]

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[18] This narrative was included in the general program of Sobsi's 1952 constitution. See "Konstitusi Sobsi disahkan dalam Konferensi Nasional Sobsi Tanggal 11-11-1952 di Djakarta", Arsip Sobsi, Inv. no. 456, ANRI. It was also consistently incorporated into the speeches of Sobsi leaders at congresses and conferences. See, for example, Njono's speech at the reception marking the Sobsi national conference in September 1952, in *Harian Rakjat*, 30 Sept. 1952. See also "Pelaut Anti-Pendjadjah Zeven Provincien", *Zaman Baru*, 15 and 31 Dec. 1951; 7, 15, 23 and 31 Jan. 1952; and "Surabaja: 1 September. Hari Buruh Pertjetakan", *Zaman Baru*, 31 Aug. 1951. This was the strong theme in Sobsi's history of the labour movement. *Sedjarah Gerakan Buruh Indonesia* (Jakarta: Sobsi, 1958).

[19] There were seven labour representatives in the DPR, though four represented individual unions. The seven formed a "Labour Front" under the chairmanship of Werdojo.

Sobsi was scathing of the Masyumi-led cabinets of Natsir, Sukiman and Burhanuddin, describing them as "anti-people" because of their arbitrary actions against workers, their support of foreign companies and their pro-West leanings.[20] It was equally critical of PSI politicians such as Sumitro Djojohadikusumo, minister for trade and industry in the Natsir cabinet and minister for finance in the Wilopo cabinet, whom it accused of creating financial regulations designed to support foreign capitalism and weaken national companies. Although it initially supported the formation of the Wilopo PNI-led government, in April 1952 it became disenchanted and in June 1953 welcomed its fall. It supported the PKI's demand for a new cabinet led by the PNI that would support workers and exclude both Masyumi and the PSI. When in July 1953 the PKI moved closer to the PNI and supported the first cabinet of Ali Sastroamidjojo, Sobsi joined in praising it as a progressive government.[21]

Sobsi's position as the Communist-led labour union federation was challenged at the end of April 1951, when the Partai Murba, the national Communist party that opposed the PKI's support of concessions made by the republic in agreements with the Netherlands in November 1946 and January 1948, created a labour federation with a deliberately similar name: Sentral Organisasi Buruh Republik Indonesia (Central Workers Organisation of the Republic of Indonesia, Sobri). The formation of Sobri resulted from the failed attempt by Gasbri in 1950 to create a single nationwide confederation. In February 1951 Gasbri convened a General Workers Congress in Bandung, but the non-Communist federations attended only reluctantly, wary of the Partai Murba's intentions, and Sobsi eventually decided not to participate, having nothing to gain from a new coordinating body that would give its competitors a stronger voice.[22]

Sobri failed to challenge Sobsi as the dominant Communist labour union federation. Nevertheless, it provided an alternative for

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[20] See, for example, *Harian Rakjat*, 3 Mar. 1952; 8 June and 21 July 1953.

[21] *Harian Rakjat*, 1 Feb. 1955. Sobsi and the PKI accused the Partai Buruh's Tedjasukmana of being antagonistic to workers and blamed him for the introduction of the emergency laws in 1951. They demanded that he not be named as the minister of labour in the first Ali government. As a result, Abidin became the minister of labour, though Tedjasukmana regained the post under the Burhanuddin cabinet.

[22] *Merdeka*, 25 Jan. 1951; *Indonesia Raya*, 29 Jan. 1951; *Keng Po*, 29 Jan. 1951, in *Situasi Perburuhan*, Jan. 1951, pp. 37–9; *Algemeen Indische Dagblad*, 7 and 10 Feb. 1951; *Pedoman*, 26 and 27 Jan.; 12 Feb. 1951.

people in Sobsi unions who, for ideological or personal reasons, wanted to break away but remain within the Communist orbit. In 1956, 14 national and 46 local unions were affiliated to Sobri; and at the end of 1957 the Ministry of Labour estimated that its unions had 116,928 members, or about 10 per cent of the membership of Sobsi unions. There is very little information on Sobri itself but, as we will see, somewhat more on unions that joined after breaking away from Sobsi unions.[23]

Sobsi set the agenda for the labour movement. Unions opposed to it on ideological or religious grounds nevertheless agreed with most of its policies, including its opposition to continued Dutch dominance of the economy. Few disagreed with its critique of the terms of the settlement with the Netherlands in 1949, particularly those clauses that forced Indonesia to pay off debt incurred by the former colony, restored property to Dutch companies and provided Dutch companies with a privileged position in the postcolonial economy. Anti-Communist unions rejected the concepts of class struggle and dictatorship of the proletariat, but only the most conservative unions for higher-level government employees eschewed a broad class analysis of Indonesian society.

While the rhetoric of Sobsi celebrated movements from below, its central bureau worked hard to control autonomous action. Sobsi congresses, plenaries, regional conferences and public meetings were carefully stage-managed, and its daily executive was in constant communication with district and branch officials as well as with affiliated unions, cajoling them to be diligent in maintaining discipline and implementing national policies. Its districts and branches coordinated the work of local union officials, less successfully than the central bureau wanted but better than any other federation. District and branch offices were located in major towns and cities, providing shared facilities to unions in order to reduce costs and enable closer oversight.

District officials were appointed by the central bureau, and most were full-time organisers. They were a key component of Sobsi's governance structure, supervising branches and trying to ensure that the daily executive and the central bureau were provided with a regular

[23] There is some discussion of Sobri in Poeze, *Verguisd en Vergeten*, esp. pp. 1643–4. The Ministry of Labour membership estimates are from *Tindjauan Masa'alah Perburuhan*, Oct. 1958, p. 18.

flow of accurate information. Branch officials were elected by the executives of affiliated unions. Some were full-time union officials, but most received only honoraria or out-of-pocket expenses. Sobsi branches were expected to provide administrative support to local branches of unions, coordinate unions in their areas, organise educational courses, and ensure that decisions of the daily executive were explained to local union leaders and implemented. Sobsi demanded the maintenance of written records and consistency in administration in both its own organisation and in affiliated unions. It was an ongoing battle.

Sobsi was heavily dependent on the voluntary labour of branch and sub-branch leaders of affiliated unions. Many worked hard to promote Sobsi, convinced of the importance of union solidarity, believing in the class struggle and admiring its uncompromising defence of workers' rights. Some were strongly committed to Sobsi ideologically and were members of the PKI. Most, though, were limited in the amount of time they could devote to Sobsi because they had full-time jobs and significant obligations to their own unions. Union branches were their power bases, and local activities absorbed most of their time and energy.

Sobsi understood that it needed to improve the organisational and political skills of union officials and to educate them ideologically.[24] It created a publication programme with a steady stream of magazines, brochures and books. It also published well-researched reports on the Indonesian economy and major issues confronting the country, many of which were used by all unions, not just those affiliated to Sobsi, in making claims on employers. Regular courses were held for local officials. Most were for only a few hours a week, but some were residential programmes in Jakarta and other Java cities.

Sobsi's magazine, *Bendera Buruh* (Workers' Flag), was not aimed at ordinary workers, who were for the most part illiterate, but at branch and sub-branch officials. It was an earnest magazine full of ideological treaties, attacks on capitalism and imperialism, and celebrations of the progress of workers in the Soviet Union, Eastern Europe and China. There were also extensive reports on the WFTU and the international Communist movement. Sobsi eventually acknowledged

[24] For an analysis of the centrality of education programmes to the PKI, Sobsi and other PKI mass organisations, see Ruth McVey, "Teaching Modernity: The PKI as an Educational Institution", *Indonesia* 50 (Oct. 1990): 5–27.

that its contents were of little interest to local union officials. In an effort to increase circulation and readership, in 1956 it reduced the emphasis on international and theoretical issues and increased the space devoted to reports on individual unions and local activities, in the hope that "it would become a friend and teacher for workers wherever they are".[25] Much of this content was reprinted from the PKI newspaper *Harian Rakjat*. The changes had little impact. In October 1956 a member of the leather and shoe workers union stated that he often went into the Sobsi office in Solo, Central Java, where he saw pristine copies of the magazine piled up in cupboards. A member of the branch executive admitted to him that he had never read it.[26] In January 1957 a member of the executive of the Jakarta branch of the cinema workers union stated that even though Sobsi had 90,000 members in 500 union branches in the city "*Bendera Buruh* is unknown to workers".[27]

A report in September 1956 by Sarbupri, the major union for plantation workers and Sobsi's largest member, acknowledged that Sobsi was not well known among plantation workers. In large part, it said, this was because issues of importance to them were resolved by Sarbupri branch and sub-branch officials. Sobsi was only a name to them, with the consequence that "not only is Sobsi not well known, but issues such as finances and mass meetings are of little interest".[28] Sarbupri's identification of workers' indifference to Sobsi probably reflected the fact that its members lived and worked in rural Java and Sumatra, far from Sobsi offices. In towns and cities Sobsi would have been more recognisable to workers if only because of well-organised annual May Day celebrations and rallies after congresses and conferences. Nevertheless, the broader point was valid: workers' links were with union branches and sub-branches rather than Sobsi.

Employers, foreign observers and the anti-Communist Dutch-language press were quick to ascribe all worker activism to Communist agitators, as they had consistently done since the 1920s. However, while Sobsi provided leadership, strategic advice and tactical support to affiliated unions, for the most part it had a supporting rather than

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[25] Editorial, *Bendera Buruh*, 13 Mar. 1957.
[26] Sadali, "Untuk Stabilisasi Peredaran Bendera Buruh", *Bendera Buruh*, 3 Oct. 1956, p. 4.
[27] *Bendera Buruh*, 9 Jan. 1957, p. 7.
[28] Warsosukarto, "Beberapa masalah tentang organisasi", *Warta Sarbupri*, Sept. 1956, p. 171.

an initiating role in industrial action. Industrial disputes that resulted in stoppages, go-slows, overtime bans and strikes were the result of company- or industry-specific issues. Almost all were initiated by individual unions, and more often than not by branches rather than national headquarters. Many were spontaneous actions by workers themselves. The role of Sobsi district and branch officials was to support individual unions during industrial disputes and in their negotiations with employers. For their part, national leaders tried to coordinate logs of claims, seeking consistency and achievable outcomes and pressuring companies, employer associations and governments to accede to union demands.

Sobsi struggled to build a disciplined organisation. As a Communist-led federation, it was centralised and bureaucratic. This was in stark contrast to affiliated unions, which, despite formal structures mirroring those of Sobsi, were in practice highly decentralized, with branches and sub-branches responsive to the demands of workers themselves. Sobsi leaders were frustrated at what they regarded as the haphazard ways of unions and struggled to implement central policies and control grassroots activities. They held frequent meetings with union central executives, bombarded them with memoranda and instructions, and at regional conferences and national congresses urged them to abandon informal processes and exercise tighter central control. A constant refrain was that unions should strengthen their administrative systems in order to ensure that branches kept more accurate membership and financial records.

Sobsi was larger and better organised than other labour union federations, but it had fewer paid officials, office staff or organisers than stipulated in its formal structure.[29] Although also financially stronger than any other federation, it had a far more ambitious programme of research, education, publications and advocacy and constantly struggled to balance its budgets. Its key education and

[29] In 1957 the US labour attaché referred to Sobsi's "thousands of paid full-time organisers". See "Observations on the Current Trade Union Situation in Indonesia", Amembassy Jakarta, Despatch no. 631, 16 May 1957, p. 1, in Department of State, Indonesia Labor Reports 1957, NARA. In his analysis of Sobsi, Donald Hindley estimated that it employed about 300 full-time workers in 1960, ranging from cleaners and drivers to clerks and organisers. Hindley, *Communist Party of Indonesia*, p. 140. Sobsi was a much smaller organisation during the parliamentary democracy years. It never revealed its staffing levels, but it is clear that it could not have afforded anywhere near the number of full-time workers claimed by the US embassy or estimated by Hindley in 1960.

publication programmes were limited by financial constraints. It could afford to print only 5,000 copies of *Bendera Buruh* because subscriptions covered just 40 per cent of the cost and, despite constant urgings, union branches did not make bulk purchases. In 1955 the publication of tens of thousands of brochures outlining Sobsi's position on the national elections absorbed so much money that the organisation could not afford to publish *Bendera Buruh* at all that year.[30]

Sobsi constantly urged unions to pay attention to what it called "the problem of money". Its constitution required member unions to make a monthly contribution of 20 cents for each member to the local Sobsi branch, of which 10 cents was retained by the branch, 5 cents sent to the Sobsi district and 5 cents sent to the central bureau in Jakarta. Given Sobsi's public claim that its affiliated unions had 2.5 million members, this should have delivered an income to the central bureau of Rp.125,000 a month. The actual monthly income from fees in 1956 was only Rp.12,732. By this measure, Sobsi unions had only about 250,000 financial members.[31]

Financial membership was higher than this. Underpayment by union branches to Sobsi branches was common, and Sobsi branches were not always diligent in forwarding money to higher levels. Many branches of even the largest unions simply did not have enough money to forward the full amount to their own head offices, let alone to Sobsi. Moreover, some members who paid their dues more or less regularly were reluctant to make the additional contribution for Sobsi. There were also what national leaders referred to as "unhealthy hands" at the union branch level. In March 1955 Sobsi tried to circumvent this by urging seven of its largest members to send contributions direct to the Sobsi central bureau rather than relying on their branches to send via Sobsi branches.[32]

The fundamental problem was that most workers were poor and unable or unwilling to pay membership fees regularly, with unions reluctant to pressure them to do so. In the colonial period around one-third of union members paid their membership fees, and unions regularly removed those who were unfinancial. The expansion of unions into mass organisations in the 1950s was accompanied by a

[30] Editorial, *Bendera Buruh*, 13 Mar. 1957, p. 4.
[31] See "Mengorganisasi masaalah keuangan serikat buruh setjara lebih tjepat", Sobsi daily executive, Jakarta, 5 Sept. 1957, in Arsip Sobsi, Inv. no. 20, ANRI.
[32] "Laporan Sekretariat Dewan Nasional Kepada SB Sobsi tg. 16 Mei 1955", in Arsip Sobsi, Inv. no. 59, ANRI.

significant fall in the percentage of fee-paying members. This was a particular problem for the majority of Sobsi unions that could not persuade employers to deduct fees from workers' wages. In October 1955 the Jakarta Raya district of Sobsi accused union leaders of not working hard enough to collect fees or even knowing who had paid. Many leaders and members, it said, did not properly understand their responsibilities:

> [T]here are many member unions of Sobsi that are yet to understand that this money is needed for the day-to-day activities of the organisation. Sobsi knows that along with those prepared to fulfil their responsibility to forward all money that rightfully belongs to Sobsi there are some that, intentionally or otherwise, act to the contrary by holding on to money that should be sent to Sobsi and providing excuses such as not being sure of the amount or that the total involved is not yet enough.[33]

Membership fees made up only a small part of Sobsi's income. In order to bolster the organisation's finances, the 1952 congress resolved that unions should seek extra contributions from workers after an industrial campaign had achieved a wage increase, back pay or the payment of a bonus. Referred to as "victory money" or "consolidation money", this was an important revenue stream for Sobsi unions, in many years amounting to almost as much as membership fees. Unions were expected to send 30 per cent of this extra income to Sobsi. In 1956 the Sobsi central bureau received Rp.9,014 a month from "victory money" compared to Rp.12,732 from membership fees. A reliance on "victory money" was an incentive for unions to hold out for strike pay and back pay of wage increases and to take a hard line on payment of bonuses and Lebaran allowances. This made industrial disputes more difficult to resolve quickly.

Sobsi held regular fundraising campaigns to cover the costs of regional conferences and national congresses or to finance delegations to international conferences. In July 1953, for example, it called on unions to make a donation of 50 cents for each member in order to

[33] "Keuangan Sobsi", Dewan Daerah Djakarta Raya, 15 Nov. 1955, in Arsip Sobsi, Inv. no. 52, ANRI. Late in 1957 the Jakarta Raya district organised a lottery, but only Rp.50,000 of tickets were sold, half of the target, with 20 per cent of the money raised used for prizes, ranging from a sewing machine cabinet valued at Rp.1,625 to small items valued at Rp.10. "Gerakan Iuran Extra", Dewan Daerah Sobsi, Djakarta Raja Secretariaat, 14 Nov. 1957, in Arsip Koti, Inv. no. 624, ANRI.

cover the Rp.300,000 cost of sending 20 delegates to the October WFTU congress in Vienna.[34] Sobsi districts and branches also engaged in their own fundraising activities, including organising lotteries and seeking donations from supporters. Another important source of money was a levy imposed on the salaries of Sobsi members of municipal councils, provincial governments and the national parliament. In 1956, while acknowledging that its opponents were constantly saying that "Sobsi asks for too much money", the central bureau reaffirmed that raising money was crucial to its success.[35]

The Sobsi national conference in September 1957 focused on the parlous state of the finances of affiliated unions and the serious impact this was having on the federation. Considerable reorganisation was necessary, because "up to now financial difficulties have been experienced not only in Sobsi branches but at all levels of almost all organisations".[36] Sobsi branches, districts and the central bureau had annual deficits that forced them to spend considerable time on raising funds from other sources, such as levies on members of councils and parliaments, donations from sympathisers, lotteries and the sale of items such as calendars. Little had changed from earlier years. There continued to be inadequate record keeping by individual unions, with Sobsi branches failing to report regularly and honestly to the Sobsi central bureau and union branches to their central executives. Local leaders were reluctant to press members to pay fees regularly and were afraid that accurate reporting would be seen as a sign of failure on their part.[37]

Sobsi leaders reiterated their view that the best way to ensure a steady income was to persuade employers to deduct membership fees from workers' wages. This was achieved by some public sector unions but rarely by those in the private sector. Unions were urged to redouble their efforts but were warned that even if an employer agreed to deduct fees, they had to be systematic in getting members to sign letters of authority and in preparing accurate membership lists. In industries where employers would not deduct membership

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[34] Sobsi Central Bureau, "Bangkitkan diskusi massa dan pilih utusan setjara demokratis ke-Kongres Serikat Buruh Sedunia ke-III", 10 July 1953, *Warta Sarbupri*, July 1953, p. 140.

[35] *Mengatasi Keuangan Dalem Serikat-Buruh* (Jakarta: Sobsi, 1956), p. 16.

[36] "Mengorganisasi masalah keuangan serikat buruh setjara lebih tjepat", 5 Sept. 1957, in Arsip Sobsi, Inv. no. 20, p. 1, ANRI.

[37] Ibid., p. 4.

fees or where wages were not paid directly to workers—such as *becak* (pedicab) drivers; *opelet* (minibus) drivers and chauffeurs; or harbour, cigarette, batik and textile workers—branches were required to collect fees systematically each week from foremen or individuals. In order to prevent fraud and retain the confidence of members, this was to be carefully controlled and regularly reported to central executives. Money was not to be collected in the middle of the street because that was much more difficult to control.[38]

Sobsi recognised that there were few women in its leadership ranks and that unions were failing to recruit female members. Few had women on central executives, and branch executives only slowly included women. Women made up the majority of the workforce on the plantations and in the batik, cigarette, textile and leather industries, all of which had strong Sobsi unions, but again the majority of union members were men and leadership was in male hands. In 1958 there were only four women among the 39 members of the plenary council of the plantation workers union, three among the 21 members of the plenary council of the textile workers union, and two among the 19 members of the plenary council of the union for workers in the shoe industry. Only the cigarette workers union did better, with nine of the 20 members of its plenary council being women.[39] A booklet commemorating the tenth anniversary of the Sobsi-affiliated sugar workers union revealed that there had never been a female member of its central executive and that in 1956 there were no women in branch leadership positions.[40]

It was not that Sobsi unions ignored gender issues. Central leaders of many unions regularly regretted their failure to attract women and acknowledged that this was a serious impediment to growth. There were frequent special meetings, exhortations in union magazines, and efforts by leaders to understand the different needs of women and make unions more attractive to them. Sobsi constantly urged unions to take steps to make women feel comfortable at meetings, to encourage them to speak, and to ensure that their ideas and complaints were taken seriously. Branch leaders were told to promote women to membership of branch executives and to nominate them as delegates to union and Sobsi conferences.

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[38] Ibid.

[39] *Pedoman Penjelesaian Plan Organisasi Tahun 1958 hingga Kongres Nasional III Sobsi* (Jakarta: Sobsi, 1959), p. 17.

[40] *Lahir dan Perkembangan S.B.G.* (Surabaya: SBG, 1956).

Union leaders made many excuses for the lack of female participation. Some spoke of the natural shyness of women to be involved in public life and their traditional submission to the views of husbands or fathers. Others spoke of women having less time for union activities because in addition to wage labour they were burdened by household duties. The more perceptive acknowledged that in a patriarchal society men considered union activities to be their domain, with women confined to a supporting role in auxiliaries. The few women who did manage to rise to leadership positions were critical of the patronising attitudes of men at meetings and, despite formal union policies, their reluctance to do more than pay lip service to women's views or leadership aspirations. They urged central leaders to focus on finding ways to close the gap between the rhetoric of gender inclusiveness and the reality of male prejudice on the ground.[41]

While progress in elevating women to leadership positions was slow, there was greater progress in addressing issues specific to women. In negotiating collective agreements, unions often included clauses providing equal pay for equal work, maternity and menstrual leave, and childcare. Many branches took up specific grievances of female workers with employers. But gender discrimination in the workforce remained a serious issue, and all unions—not just those affiliated to Sobsi—were only partially successful in addressing it. The small number of women who did attain leadership roles at branch or central levels recognised the social factors that restricted their participation in union activities. They were also aware that the structures of unions and the attitudes of male leaders, particularly at local levels, failed to make unions attractive to women and constrained their opportunities for leadership roles. Their constant criticism was that men were making decisions for and about women instead of empowering them to speak for themselves and that empowering women required significant cultural change.

Despite its organisational and financial weaknesses, in 1957 Sobsi was by far the largest of the labour federations, with eight district offices and 150 branches extending its reach throughout Java and Sumatra and into much of eastern Indonesia. It had a committed central bureau, more paid organisers than any other federation, and hundreds of committed central and local leaders of affiliated unions.

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[41] See, for example, Setiati Surasto, "Activitis Buruh Wanita dalam kehidupan SB", *Warta Sarbupri* 2 (1957), pp. 30–1.

However, its public claim that its affiliated unions had 2.5 million members was greatly exaggerated. In 1958 an internal Sobsi document reported a steady growth in the membership of its unions from 850,969 in 1951 to 1,252,619 in 1957. It provided no analysis of membership by industry, but this is unlikely to have changed significantly from 1955, when an internal report stated that 46 per cent were in agrarian unions (plantations, sugar mills and forestry), 26 per cent in public sector unions, 18.8 per cent in industrial unions and 9.3 per cent in transport unions.[42]

Serikat Buruh Islam Indonesia

Masyumi, the major Islamic party, was alarmed by Sobsi's prominent role in the labour movement. Strongly anti-Communist and intent on protecting its political aspirations, in February 1948 it created a department to focus specifically on labour issues. In the aftermath of the Madiun uprising in September 1948 it seized the opportunity to transform this department into a broad-based union for urban and rural workers, the SBII. While the SBII described itself as an autonomous unit of Masyumi, in practice it was under Masyumi's direct control. Its chairman was Jusuf Wibisono, a successful businessman and Masyumi politician and a minister in the Natsir, Sukiman and second Ali cabinets. A unitary organisation, the SBII created industry-specific sub-units, focusing particularly on the harbours, the plantations and other industries where Sobsi unions had a major presence.[43]

On 17 August 1950, a day that celebrated both the proclamation of independence and the birth of the unitary Republic of Indonesia, the SBII issued a manifesto explaining its aims and objectives.[44] It acknowledged that Indonesia was dominated by foreign capitalism but rejected the class struggle advocated by the PKI, seeking instead to create a socio-economic model of "religious socialism" that rejected both Marxism-Leninism and Western individualism.[45] The manifesto

[42] This untitled Sobsi document is enclosed in Arsip Sobsi, Inv. no. 46, ANRI. See also "Keanggautan SB/SS", *Tindjauan Masa'alah Perburuhan*, Oct. 1958, pp. 15–21.

[43] See "SBII akan tetap berdiri sebagai badan chussus dari Partai Masjumi", *Abadi*, 28 Dec. 1953.

[44] "Manifes Serikat Buruh Islam Indonesia", in Sandra, *Sedjarah Pergerakan Buruh Indonesia*, Appendix 8, pp. 192–206.

[45] For a discussion of the concept of religious socialism, see Madinier, *Islam and Politics in Indonesia*.

was replete with quotations from the Koran to support the case for an Islamic labour union and emphasised the important leadership role of religious teachers. It did not shy away from its political position, arguing that "SBII politics is Islamic politics that is put into practice by the Masyumi political party". In a society where there were labour unions based on socialism and Communism it was crucial that there was one based on Islam:

> Because Indonesia is for the most part a Muslim community and many of its members earn their living as workers, either industrial workers or farmers, and because up to now labour unions have all been based on socialist ideology or steered by Communists, with Muslim workers forced to shelter under the banners of other beliefs whether they like it or not, the Serikat Buruh Islam Indonesia stands very clearly on the ideology of Islam.[46]

The SBII's fourth congress, in December 1952, adopted two resolutions that further emphasised its Islamic credentials. One urged the government to organise, and presumably fund, *iman buruh* (worker spiritual advisers) in factories and plantations, and the other urged it to ensure that all labour laws were in keeping with Islamic law. In most respects, though, its work programme differed little from that of other unions. It resolved to establish a strong resistance fund, strengthen its finances and establish cooperatives. It wanted the government to provide credit to small national industries and to provide more housing for low-level workers. It also intended to pressure employers to profit-share with workers, convert day-wage workers into permanent workers, end the use of contract labour and provide a polyclinic for every 150 workers.[47]

The question of whether there should be an Islamic labour union, and if so what it should look like, mirrored the debate in the West about the relationship between Catholicism and labour unions. The debates were driven by the Cold War, with growing concern about Communist influence in labour unions and a strong desire to protect the faithful from an atheist ideology. Daljono was a Masyumi member of the national parliament and a key SBII leader. In the first half of 1953 he undertook an extensive study tour of the United States, Europe, the Middle East and Pakistan. On his return

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[46] "Manifes Serikat Buruh Islam Indonesia", in Sandra, *Sedjarah Pergerakan Buruh Indonesia*, Appendix 8, p. 192.
[47] "Putusan2 Muktamar SBII", *Abadi*, 29 Dec. 1952.

he delivered a lecture to the Islamic Study Club in Bandung in which he posed four key questions: What does Islam teach about the solution to labour problems? Can Islam agree with the way in which socialists resolve labour problems? Is the way in which Communists operate in keeping with the teachings of Islam? Does Islam have its own system for resolving labour problems?

He prefaced his answers with the warning that Communist influence in labour unions posed a danger to Indonesia and then advanced three propositions as the basis for a strong Islamic labour union. First, while socialism and Communism were based on materialism, Islam gave precedence to the spiritual over the material. Second, because socialists and Communists had long experience leading labour unions, an Islamic union was required to create a cadre of similar quality and quantity. Third, because workers were conscious of their newfound power and the effectiveness of strikes, it would be useless for Islamic unions to try to get support through appeals based solely on religious dogma. Daljono concluded by arguing that for an Islamic labour union to succeed it must look to *kyai* (religious scholars) for local leadership:

> Our *kyai* must be trained in how to organise labour unions and how to improve workers' lives. After training, they will become union leaders in their workplaces. The aim is to ensure there is a key person in all workplaces, such as factories, estates and industries, who will not only be a leader for workers' religious life but also for their struggles to improve their livelihood.[48]

In an interview with the Masyumi newspaper *Abadi*, Daljono elaborated on his Bandung speech by stating that the SBII's first course for cadres would focus on religious knowledge as well as organisational skills and the history of the labour movement. Graduates would become *imam buruh* and provide leadership in workplaces on both spiritual and labour union matters.[49] This dual focus on the spiritual as well as the material, he said, would distinguish the SBII from other unions.

The SBII struggled to define how an Islamic union would promote the interest of workers. While it acknowledged that class

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[48] *PI Aneta*, 19 June 1953, reproduced in Archief Commissariaat te Bandung, Inv. no. 393, NADH.
[49] *Abadi*, 18 July 1953.

analysis was not in conflict with the Koran, it rejected class struggle. It acknowledged that wages and conditions for workers were unacceptably low but advocated a conciliatory approach to government and employers, with strikes a last resort.[50] It wanted improved wages and conditions but cautioned that excessive wage demands would only lead to increased inflation. The best way to improve workers' conditions, it argued, was to improve social security by creating institutions jointly managed by unions, employers and government.[51] The SBII was evolutionary, not revolutionary, Wibisono told its 1953 congress.[52]

The creation of the SBII was welcomed by many foreign companies as having the potential to counter Sobsi unions. Some actively cultivated local SBII leaders, while others gave preference to SBII members when recruiting new workers or when allocating overtime as a way of increasing the union's attractiveness. In 1950 and 1951, for example, British American Tobacco factories in Java experienced lengthy strikes led by a Sobsi union. The company's personnel officer responded by making contact with Islamic leaders in regions from where the company drew its day-wage labour force to get them to nominate new workers who were Masyumi adherents and therefore less likely to join a Communist union.[53] In 1953 the US labour attaché acknowledged that the SBII was having some success in the Tanjung Priok harbour "largely because of the cooperation of employers, who would do almost anything to get the Communist-led unions off their back".[54] In January 1956 the US construction company Foster Wheeler, a contractor to Standard Vacuum Oil Company

[50] *Abadi*, 22 Feb. 1954.

[51] See, for example, *PI-Aneta*, 11 May 1953; and a statement by the central executive of the SBII in *Keng Po*, 10 Sept. 1953 in ORI, translation no. 253, 11 Sept. 1953, Archief Ondernemersraad voor Indonesië te 's-Gravenhage, Box 99, NADH.

[52] See the report on the sixth congress in *Algemeen Indische Dagblad*, 28 Dec. 1953.

[53] This was reported after a visit to Java by the Singapore-based British labour adviser for Southeast Asia. See A.T.M. Cowan to Secretary, Ministry of Labour and National Service, Singapore, 24 June 1951, LAB 13/587, NAB.

[54] "Memorandum on Labour Developments in Indonesia during 1953" by US Labor Attaché Vidkum Ulriksson, p. 4, in ICFTU Archive, Inv. no. 3435 (a), IISG. Ulriksson stated, "The SBII is from an employer's point of view one of the most acceptable parties to negotiate with. On the one hand for its anti-communism, on the other for its non-materialistic principles."

(Stanvac) in Palembang, South Sumatra, admitted that it had an agreement with the SBII for it to recruit workers, for which it paid the union Rp.10 per person, and insisted that all of its workers join the SBII.[55]

A meeting of the SBII central executive in August 1953 held at the Jakarta home of Masyumi leader Abu Hanifah and attended by other Masyumi leaders, including Natsir and Wibisono, is further evidence that foreign companies were more comfortable with the SBII. Representatives from some of the largest foreign-owned companies and organisations were present, including BPM, Stanvac, Caltex, Unilever, the Shipping Employers Association, the Java Sugar Syndicate, the plantation associations and the Netherlands Shipping Company. The meeting reportedly discussed possible cooperation between these companies and the SBII as part of a struggle against Sobsi unions.[56]

SBII public pronouncements and comments by Wibisono soured relations with other unions. In September 1953, for example, the SBII argued that workers should reduce their demands because excessive wage rises would only lead to price increases. It would rather see workers' welfare improved through government distribution of free goods, but if this could not be achieved without putting the economy in danger it was prepared to see workers not get a wage rise if this meant that they would keep their jobs. It warned against workers being seduced by agitators: "We urge workers, who have come to realise that they have been misled by agitators, who produce extravagant demands, to break away from these people in the interest of labour peace."[57]

It also gained no friends in the labour movement when in 1954 it opposed a union campaign to force employers to pay Lebaran bonuses, arguing that unless made voluntarily they were contrary to

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[55] *Harian Rakjat*, 17 and 24 Jan. 1956.

[56] The meeting was reported in Memo (from Dr W.J. Cato) to Netherlands High Commissioner, Jakarta, 8 Aug. 1953, in Archief Hoge Commissariaat Indonesie, Inv. no. 321, NADH. The Netherlands high commissioner reported that "Masyumi often seeks assistance from employers to organize and finance such a movement [a labour union] but this is not acted on for understandable reasons." High Commissioner to Minister of Foreign Affairs, 28 Apr. 1951, Archief Hoge Commissariaat Indonesie, Inv. no. 318, NADH.

[57] The pronouncement by the SBII central executive was published in *Keng Po*, 10 Sept. 1953.

the teachings of Islam.[58] The SBII's moderate stance and closer relationship with foreign companies exposed it to criticism that it was a tool of foreign capital rather than a vigorous champion of workers. This was a sensitive issue for SBII leaders. Wibisono tried to dismiss criticism by telling delegates at the SBII's December 1953 congress that "People stamp us as reactionary and as an employer union … but we can let this accusation pass with a smile."[59] In a speech at the congress reception he asserted that the SBII's industrial stance was far more nuanced than its opponents claimed: "There are people who say that the SBII is bound hand and foot to foreign capitalism, but this is not at all true because, although the SBII prefers to work with foreign capitalism, it also takes strike action if its demands are rejected."[60]

The SBII was accused by other unions of breaking the unity of the labour movement by encouraging members to be strike-breakers. In the more strongly Islamic areas of West Java, Masyumi and the SBII worked together to counter Sarbupri's dominance among plantation workers. In 1953 Masyumi people were reported going around workers' villages saying that they had a duty "as good Muslims" to leave Sarbupri and join the SBII because Sarbupri's ideology was against their religious views. SBII meetings in West Java were sometimes held in local mosques in a further attempt to strengthen the religious basis of its appeal to plantation workers.[61]

The SBII's status as an autonomous unit of Masyumi, and its claim to be the union that all Muslims should join, became a matter of contention as political parties increasingly looked to position themselves for the first national election. Masyumi had a major competitor for the so-called Muslim vote in Nahdlatul Ulama (NU), which broke away from it in 1952. By the time of the SBII congress in December 1953 some SBII members who had joined NU were becoming concerned that their union membership was strengthening Masyumi. One delegate, a member of NU, proposed that the SBII cut itself

[58] See a discussion in "The Trade Union Movement in Indonesia", 15 Oct. 1954, p. 6, in ICFTU Archive Inv. no. 3435 (a), IISG.
[59] "Congres Serikat Buruh Islam Indonesia te Surabaia", Netherlands Consulate Surabaya, 29 Dec. 1953, in Archief Hoge Commissariaat Indonesie, Inv. no. 321, NADH.
[60] The speech was reported in *Abadi*, 28 Dec. 1953.
[61] See reports in Netherlands Consul Bandung to High Commissioner Jakarta, 31 Mar., 16 Apr., 13 May 1953 and 11 June 1953, in Archief Hoge Commissariaat Indonesie, Inv. no. 321, NADH.

loose from Masyumi, arguing that in the NU heartland of East Java people were turning to other unions rather than be seen to support Masyumi by joining the SBII. The proposal was strongly opposed by Wibisono. Afterwards, Wibisono argued that other Islamic parties such as NU could establish their own Islamic labour unions and join together in a federation of Islamic unions.

Nahdlatul Ulama took up the challenge and in the first half of 1955, with national elections approaching, created Ikatan Buruh Nahdlatul Ulama as a sub-unit to compete against the SBII. In September this was renamed Serikat Buruh Muslimin Indonesia (Indonesian Muslim Workers Union, Sarbumusi). Sarbumusi recruited largely in the East Java heartland of NU, with small outposts in West Java. Its chairman was Murtadji Bisri, a former official in the Surabaya office of the Ministry of Religion and a man with no previous union experience.[62] In April 1955 the much smaller Islamic party, Partai Serikat Islam Indonesia, followed the lead of Masyumi and Nahdlatul Ulama and also created a labour union, the Gabungan Organisasi Buruh Seluruh Islam Indonesia (All Indonesia Federation of Islamic Labour Organisations, Gobsii).[63]

The divisions among those who wanted to create an Islamic labour movement deepened in December 1956, when a group of disgruntled SBII leaders broke away to form the Kongres Buruh Islam Merdeka (Free Islamic Workers Congress, KBIM).[64] The catalyst was a decision of the SBII congress in November 1956 to accept Wibisono's proposal that only the chairman be elected, with all other members of its executive appointed by the chairman. Wibisono was duly elected as chairman and proceeded to appoint close supporters to the executive. Masyumi had ceased financing the SBII after the latter's disappointing result in the 1955 elections, and Wibisono as the union's major financier was determined to take complete control. Despite many attempts, it was not until 1960 that the SBII and KBIM healed the rift.

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[62] Bisri immediately sought assistance from the US labour attaché. See "Officers and Organisational Chart for Serikat Buruh Muslimin Indonesia – Sarbumusi" in Amembassy Jakarta, Despatch no. 35, 12 July 1956, in Department of State, Indonesia Labor Reports 1955–1956, NARA.

[63] Sandra, *Sedjarah Pergerakan Buruh*, pp. 127–30.

[64] Ibid., p. 130; "Rapport van de arbeidsattache bij de diplomatieke vertegenwoordiging der Nederlanden te Djakarta over de maanden September en October 1956", in Archief Ministerie van Buitenlandse Zaken, 1955–1964, Inv. no. 12313, NADH.

Kongres Buruh Seluruh Indonesia

The formation of Sobri by the Partai Murba as an alternative Communist-led labour federation to Sobsi and the increased activity of the SBII were the catalysts for other anti-Communist federations to seek greater unity in order to compete against Sobsi and the SBII. All were in poor shape in 1952. The Bandung-based BPSS had 35 members, most of which were for public sector workers, but despite substantial funding from the Natsir government and Vice-president Hatta it was financially weak with little commitment from members.[65] In Jakarta the POB was in financial difficulties, in large part because it was being outflanked by a reorganised Sobsi. In Yogyakarta GSBI, the federation of public sector unions, was sustained by the large teachers union Persatuan Guru Republik Indonesia (Association of Teachers in the Republic of Indonesia, PGRI). The federation in North Sumatra was little more than a platform for the anti-Communist plantation workers union, Persatuan Buruh Perkebunan Republik Indonesia (Association of Indonesian Plantation Workers, Perbupri).

It was out of weakness, then, that in May 1952 the Jakarta-based POB, the Bandung-based BPSS and the Yogyakarta-based GSBI formed a Dewan Serikat Serikat Buruh Indonesia (Council of Indonesian Labour Unions, DSBI) as a first step towards fusion.[66] Kusnan, chairman of the teachers union, the largest and financially strongest member union, was elected chairman; and Kusna Puradiredjo, chairman of the railway workers union Persatuan Buruh Kereta Api (Union of Railway Workers, PBKA), was elected vice-chairman. Kusnan was a member of the PNI executive and a representative of the PNI in the national parliament. He probably saw the DSBI as a way for the PNI to develop a stronger mass base.

In September Kusna led seven PBKA officials on a six-month study tour to the United States funded by the US International Cooperation Administration.[67] On the eve of his departure, he told

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[65] It received Rp.47,000 from the Natsir government in 1950 and a further Rp.20,000 from Vice-president Hatta in 1951. See "Report on a Visit to BPSS in Bandung (1952)", ICFTU Archives Box 3435 (a), IISG.

[66] "Kongres Persatuan Buruh di Bandung", *Suara Buruh Pegadaian*, 25 May–10 June 1953, p. 149.

[67] See "Memorandum of Labor Developments in Indonesia during 1953" by US Labor Attaché Ulrikkson, in ICFTU Archive, Inv. no. 3435 (a), IISG. The British labour attaché for Southeast Asia described Kusna as "very much a protégé of the American mission". T.M. Cowan to Minister of Labour, 1 Feb. 1955, in FO 371/111281, NAB.

the Netherlands high commission that while the DSBI did not see Sobsi as its enemy, it intended to infiltrate workplaces in order to combat Sobsi's growing influence. He acknowledged that this would be laborious and costly but was confident that it would show results after five years: "Our answer to all the promises from the Communist side is: wait. Time is on our side, for workers themselves realise that the Communist promises will come to nothing. It will take time, but we will win this."[68]

The US tour seems to have strengthened Kusna's conviction that the anti-Communist unions had to work more closely together if they were to challenge Sobsi. In May 1953, shortly after he returned to Indonesia, Kusna was instrumental in transforming the DSBI into the Kongres Buruh Seluruh Indonesia (All Indonesia Workers Congress, KBSI). Its initial 23 members included most of the major anti-Communist unions. The KBSI manifesto stated that it was based on democratic principles, "For these are (as compared with 'democratic centralism' which in practice closely approximates totalitarianism) the fundamental guarantee of an independent and non-party character."[69] What it called its "urgent programme" focused on day-wage workers, contract labourers, mass dismissals, and the provision of housing for both government and private sector workers. It accepted that workers had the right to strike but rejected class struggle as the only way to combat capitalism. While insisting that it would not be involved in party politics, it stated that it would support "constructive elements" of the labour movement in the national election.[70]

United action from anti-Communist unions was welcomed by Indonesians and foreign observers alike as having the potential to counter Sobsi. The Indonesian government had long wanted to see a strong anti-Communist labour federation and saw the KBSI as its best chance. However, once again unity was short-lived. In August 1953 a new PNI-led government was formed with Ali Sastroamidjojo as prime minister. It was strongly supported by the PKI, glad for an end to governments led by Masyumi. As part of the agreement to support the new government in the parliament, the PKI pressured the PNI to sever its connection with the KBSI, fearing that the KBSI had

[68] The discussion is contained in a confidential memorandum dated 16 Sept. 1952, in Archief Hoge Commissariaat Indonesie, Inv. no. 316, NADH.
[69] An English translation of the manifesto is in ICFTU Archive, Inv. no. 3435 (a), IISG.
[70] See "Urgensi Program KBSI", in Arsip Sek Neg Kab PM Jld 2, Inv. no. 1760, ANRI.

the potential to threaten Sobsi's dominance of the labour movement. On 1 December, under instructions from the PNI central executive, Kusnan resigned as chairman and the PNI accused the KBSI of becoming a "stalking horse" for the PSI because an increasing number of its central executive were members of that party.[71]

The KBSI was further weakened in February 1954 when eight unions withdrew, again accusing the daily executive of having come under PSI influence. All were unions for *pegawai negeri* (civil servants), including the large teachers union, the PGRI.[72] Kusna replaced Kusnan as KBSI chairman, but the federation struggled to recover from the loss of eight unions. It had little money, few staff and only about 65,000 members, about half of whom were in the PBKA and a third in Perbupri.[73]

There was undoubtedly a close relationship between the KBSI and the PSI. Many members of the former's central executive were PSI members, including its General Secretary Sukatja and Perbupri's Rivai S. Admadja and Dirdjo, as were key advisers such as Sumitro Djodjohadikusumo. But Kusna tried to prevent the KBSI from falling under PSI control and continued to assert that it was independent of any political party.[74] The KBSI was increasingly attacked by the PNI, which had begun to organise its own union. In the middle of 1954, the PNI-leaning newspaper *Merdeka* accused the KBSI of being targeted by foreign powers intent on dividing Indonesians, pointing to support offered by the US labour attaché in Jakarta and the Singapore-based British labour attaché for Southeast Asia. The KBSI, it argued, was a tool of "a certain political party", and workers were becoming a tool of capitalist/imperialist countries.[75]

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[71] *Suluh Indonesia*, 1 Dec. 1953; *Merdeka*, 1 and 8 Dec. 1953.

[72] *Merdeka*, 5 Dec. 1953; *Harian Rakjat*, 15 Jan. 1954.

[73] For an extensive analysis of the KBSI and Kusna's leadership, see "Indonesia Labor Report: Fourth Quarter 1954", US labour attaché, Amembassy Jakarta, Despatch no. 384, 24 Jan. 1955, Department of State, Indonesia Labor Reports 1955–1956, NARA.

[74] *Obor*, Aug. 1954.

[75] *Merdeka*, 21 July 1954. The two labour attachés were indeed trying to get close to the anti-Communist unions and did see the KBSI as an important counter to Sobsi. In his report on the situation in the Indonesian labour movement in 1953, US Labor Attaché Ulrikkson reported: "During the past two years, the TCA Labor Office and the Labor Attache have established excellent relations with all factions of the Indonesian non-communist labour unions, except Kusnan's union." He stated that Kusnan was strongly anti-American and anti-West: "While outwardly polite and friendly, he has been almost 100 per cent uncooperative so

The KBSI failed to realise the hopes of its supporters. It was further weakened by conflicts within its two major members, the PBKA and Perbupri, between those who wanted to remain independent of political party control and those who wanted to move more closely into the PSI orbit. The PBKA's Kusna and Perbupri's Silitonga eventually won their battles to keep their distance from the PSI, but the factionalism took its toll on both their unions and the KBSI. From early 1955, Perbupri ceased to contribute financially to the KBSI and the PBKA reduced its support to a minimum. The assessment of the KBSI by the US labour attaché was accurate: "By the beginning of 1956, it was for all practical purposes non-existent."[76]

Konsentrasi Buruh Kerakyatan Indonesia

The fourth major labour union federation was created by the PNI. It was slow to establish a foothold in labour unions but was forced to reconsider by the growth of Sobsi, and to a lesser extent Sobri, and the efforts of Masyumi and the PSI to increase their influence in unions in order to increase their electoral support. Kusnan, chairman of the teachers union and member of the PNI central leadership council, established an Ikatan Buruh Demokrat (Democratic Workers Council) in January 1951, but with uncertainty about the outcome of Gasbri's efforts to create a labour federation nothing came of this. The subsequent formation of Sobri in April 1951 persuaded the PNI to create its own labour department. It described the Himpunan Buruh Indonesia (Association of Labour Unions) as a "workers university", charged with training PNI members to become union leaders. It achieved little.[77]

A year later, in December 1952, the PNI moved a step closer to creating its own unions by forming the Konsentrasi Buruh Kerakyatan

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far as any assistance that TCA or the Embassy might be in a position to give, which has been accepted wholeheartedly and with open commitment by the other non-communist union groups." "Memorandum of Labor Developments in Indonesia during 1953" by US Labor Attaché Ulrikkson, in ICFTU Archive, Inv. no. 3435 (a), p. 3, IISG.

[76] "Progress Report on Efforts to Bring about Unification of the Indonesian Free Trade Union Movement", Amembassy Jakarta, Despatch no. 555, 29 Feb. 1956, pp. 2–3, in Department of State, Indonesia Labor Reports 1955–1956, NARA.

[77] A short history of the KBKI was published in July 1956 by its secretary-general. See Iskandar Wahono, *Lahirnja K.B.K.I.* (Jakarta: P.T. Sulindo, 1956).

Indonesia (Indonesian Democratic Labour Concentration, KBKI). However, the KBKI existed largely on paper until the end of 1953, when, after instructing Kusnan to leave the KBSI, the PNI decided to develop it to compete against the KBSI and Sobsi. It had only modest success, attracting no more than a handful of small unions, with a claimed membership of 61,111, largely because of poor leadership and a lack of linkages into workplaces.

In December 1954 the PNI changed the structure of the KBKI from a federation like Sobsi to a unitary union with sections for individual industries like the SBII.[78] Renamed Kesatuan Buruh Kerakyatan Indonesia (Indonesian Democratic Labour Union, KBKI), the union aligned its statement of principles to those of the PNI. It was no longer based on democratic socialism but on marhaenism, a term first coined by Sukarno in 1932 to encompass concern for ordinary people.[79] Despite being a unit of the PNI, the KBKI asserted that it was an independent labour union seeking to create a prosperous socialist society but rejecting class struggle and the dictatorship of the proletariat. Indeed, it argued that it was an error to believe that socialism meant revolution or class struggle or the dictatorship of the proletariat: "KBKI socialism is socialism of the Indonesian People, which is deeper and more communal than Marxist socialism and more in keeping with Indonesia's soul and the spirit of *gotong-royong* [mutual cooperation]."[80]

In the rhetorical language that would become normalised by Sukarno during guided democracy, the KBKI stated that the socialism it sought was "Constructive-socialism, or synthesis-socialism, or marhaen-socialism, or democratic-socialism".[81] It accepted, for the moment, that Indonesia needed foreign capital provided this did not adversely impact on workers and was properly regulated. At the same time, it wanted key areas of production to be nationalised and supported the development of national industries. While it did not oppose strikes as an industrial weapon, in a pointed rebuke to Sobsi it argued that they should be used responsibly and only after all other efforts to resolve disputes had failed.[82]

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[78] Rocamora, *Nationalism in Search of Ideology*, p. 104.
[79] Iskandar Wahono, *Lahirnja K.B.K.I.*, p. 19.
[80] The KBKI principles are published in Sandra, *Sedjarah Pergerakan Buruh*, Appendix 6, "Program Umum KBKI", pp. 175–83.
[81] Ibid.
[82] Ibid.

The KBKI expanded its membership quickly. Much of its success was due to its chairman, Ahem Erningpradja, an experienced union organiser who had resigned from Sarbupri and the Sobsi faction in the DPR in April to join the PNI faction. By the middle of 1956, it claimed a membership of 500,000 in 16 districts, 110 branches and 434 sections, concentrated in the PNI heartland of Central and East Java.[83] These were inflated figures; nevertheless, by 1956 the KBKI had become the largest challenger to Sobsi unions, considerably stronger than either the SBII or the KBSI. It was helped by financial support and patronage from the PNI-led government of Ali Sastroamidjojo that was keen to promote a competitor to Sobsi.[84]

Unions and Federations in 1957

The Ministry of Labour estimated that there were 2,295,066 members of unions in 1957. Of these, 56.5 per cent were members of unions affiliated to the two Communist federations, Sobsi and Sobri. Sobsi was by far the larger, with 1,179,677 members compared to Sobri's 116,928. The second-largest group were independent unions, with 16.4 per cent of the total. Almost all were unions for *pegawai negeri* or high-level employees of private companies, with those for teachers and health workers the largest. The anti-Communist unions and federations accounted for just 27.1 per cent of total union membership. Of these, the KBKI was the largest, with 331,918 members in its unions (14.5 per cent of the total), followed by the KBSI with 105,884 (4.6 per cent of the total). The two Islamic unions, the SBII and Sarbumusi, had small memberships: the former 84,051 (3.6 per cent of the total) and the latter 13,828 (0.6 per cent of the total).[85]

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[83] Ibid., p. 2; Rocamora, *Nationalism in Search of Ideology*, p. 260.

[84] See Amembassy Jakarta, Despatch no. 631, 16 May 1957, in Department of State, Indonesia Labor Reports 1957, NARA.

[85] "Keanggautaan SB/SS", *Tindjauan Masa'alah Perburuhan*, Oct. 1958.
Sobsi-affiliated unions were strongest in East Java (355,744), followed by Central Java (264,465), West Java (219,645), North Sumatra (126,910) and Jakarta (120,807). Two-thirds of KBKI members were in West Java, and one-third of KBSI members were in North Sumatra, reflecting the strength of the anti-Communist plantation workers union Perbupri. Nearly 60 per cent of Sobri members were in Jakarta. SBII membership was evenly spread throughout East and Central Java and the east coast of Sumatra but was weak in Jakarta, where there were only 7,804 members out of a total union membership of 304,571.

The estimates were based on figures compiled by regional Labour Offices and based on union self-reporting. Sobsi's own records indicate that the membership of its unions was understated by about 80,000, and most contemporary observers were convinced that KBKI numbers were significantly inflated. Despite these caveats, the official figures indicate the relative strength of the major federations.

Since the late 1910s Indonesian union leaders had spoken of the need for a single national federation to combat the power of employers and the state. Many had looked with envy at powerful union federations in Britain and the Netherlands. All attempts in the colonial years failed, in the early 1920s because of the Communist/anti-Communist divide and in the late 1920s and the 1930s because of a range of political, regional and personal differences. In the 1950s union leaders of all ideological persuasions continued to talk of the benefits of a single national federation. Sobsi was a strong advocate but was not trusted by anti-Communist federations that accused it of trying to infiltrate their unions. The dominance of Sobsi unions, Sobsi's relationship with the PKI and its insistence that any federation must be a member of the WFTU inevitably meant that its approaches would be rebuffed.

Anti-Communist federations were well aware, though, that their own disunity was a serious obstacle to competing successfully against Sobsi. Masyumi's disappointingly low vote in the 1955 national elections and the collapse of the PSI's electoral ambitions stimulated the SBII and the KBSI's PBKA to work more closely. In October 1955 the PBKA created a joint education committee with the SBII, initially tasked with running a two-week training course twice a year for 20 local leaders from each union with a curriculum prepared by the US labour attaché. In March 1956 the two unions formed a "contact bureau" as the first stage towards creating greater unity in the non-Communist labour movement.[86] Despite initial enthusiasm, the contact bureau did not lead to closer cooperation.

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[86] "Progress Report on Efforts to Bring about Unification of the Indonesian Free Trade Union Movement", p. 8.
Natsir, the chairman of Masyumi, was reported to have "given his approval to the establishment of a 'Biro Kontakt' [contact bureau] for the eventual amalgamation of as much of the free trade union movement as possible". Amembassy Jakarta, Despatch no. 686, 15 May 1956, p. 3, in Department of State, Indonesia Labor Reports 1955, NARA.

At the same time, some of the independent public sector unions were also discussing the need for a united anti-Communist federation. All had earlier been members of the Bandung-based BPSS. In the middle of 1956, they reportedly sought Rp.2 million from the government to get the idea off the ground.[87] The proposal came to nothing, though the minister of labour, Sabilal Rasjad, was reported as undertaking to raise the matter with the minister of finance, Jusuf Wibisono. Leaving aside the impossibility of a PNI-led government providing substantial funds to an anti-Communist group but not to Sobsi when it relied on PKI support in the parliament, Wibisono would not have wanted to support a rival to the SBII. While there was much talk about the need to resolve the differences between the anti-Communist federations in order to challenge Sobsi, at the end of 1957 little progress had been made.

This was the world of union and political elites, ideological conflicts, personal disputes, Jakarta political machinations and thwarted ambitions. It was a world far removed from that of ordinary workers who simply wanted greater justice in the workplace and a better life for themselves and their families. A major challenge for the middle-class people who controlled union head offices and federations was to understand the very different lives of the working class in order to channel their grievances and aspirations into strong and disciplined organisations.

[87] "Labour Developments in Indonesia", Amembassy Jakarta, Despatch no. 723, 5 June 1956, p. 2., in Ibid.

3

The Challenge of the Workers

Labour relations in 1950 were in transition from a colonial to a post-colonial world. Workers had been exploited under colonial rule, had suffered greatly during the Japanese occupation and had resented the return to colonial ways under Dutch reoccupation. They now relished the freedom to challenge colonial practices and demand workplace justice. In factories, workshops, plantations and offices throughout the country Indonesians seized the moment to take control of their lives. They formed workplace unions, confronted managers, held protest meetings at work or in public places, and backed their demands with strikes. European managers of foreign-owned companies were particularly ill prepared for the new world of worker activism. Their initial response was to refuse to deal with workers or unions. They failed to understand that they no longer had unquestioned authority, and they underestimated workers' determination.

There are no reliable statistics on the number of labour disputes in the first half of 1950. It was some time before the administrative machinery of the new state could collect this data, with Labour Offices not fully functional until later in the year. However, it is clear from newspaper reports that there were hundreds of disputes, most of which began with spontaneous actions by workers. Industrial unrest accelerated in the second half of the year beginning with extensive conflicts over Lebaran payments. Unilateral stoppages by workers continued but were now accompanied by industry-wide campaigns for collective agreements led by Sobsi unions. The government sympathised with workers' demands and was critical of the reluctance of companies to negotiate with unions. Lengthy strikes on the plantations, in the harbours, in the oil industry and in the textile industry

in the last few months of the year led to the increasing involvement of the army and highlighted the lack of a formal mechanism to renegotiate the postcolonial workplace.

Belawan Harbour Strike

On 20 December 1949, J.P. Meulemans, head of the Department of Cultural Affairs in the State of East Sumatra (Negara Sumatra Timur), called a meeting of the managing directors of companies in the Belawan harbour, near Medan. He urged them to abandon the colonial system of recruiting and paying labour through labour contractors, arguing that "Before the war workers thought and felt wholly differently and accepted much more than workers today." He warned that the emergence of unions in Medan would soon impact on the harbour, with the probability of a strike in the near future. None of the managing directors were particularly concerned, with one openly disputing that there were problems: "Among our workers there appears to be a certain amount of contentment."[1] They were soon shaken from their complacency.

On 29 December 1949, just two days after the formal transfer of sovereignty, 500 permanent and 500 casual day-wage workers at three small stevedoring companies in the Belawan harbour went on strike. The harbour had been under Dutch control during the fight for independence, but most workers would have sided with the republic. European authority had now collapsed as had workers' fears of the coercive power of the state. Emboldened by the end of colonial rule they were determined to confront foreign-owned companies. Their demands included that permanent workers be paid for Sundays and national holidays and if required to work be paid double time; that all workers be paid Rp.1 per hour extra for overtime; and that the in-kind component of wages (rice, salt and cooking oil) be provided free rather than at a subsidised price.[2] What started as spontaneous action by a small section of the Belawan workforce with modest demands ended three weeks later with the first collective agreement in postcolonial Indonesia.

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[1] "Notes on a Discussion about Labour Conditions in the Belawan Harbour", 20 Dec. 1949, in Archief Commissariaat te Medan, Inv. no. 164, NADH.
[2] *Waspada*, 6 Jan. 1950.

The Serikat Buruh Kapal dan Pelabuhan (Union of Ship- and Dockworkers, SBKP) was the dominant union in the Belawan harbour. It was formed in Jakarta in April 1948 as an amalgamation of several small Jakarta unions, and the bulk of its members were in the Tanjung Priok harbour (Jakarta) and in the Belawan harbour. The walkout took SBKP branch leaders and leaders of the east coast of Sumatra labour union federation Pusat Serikat Serikat Buruh Indonesia (Central Organisation for Indonesian Labour Unions, Pusbindo) by surprise.[3] They hurried to take control by finding out what workers wanted, structured their demands and then entered into negotiations with the Belawan branch of the Shipping Employers Association.[4] Like all Indonesian dockworkers, those at Belawan were badly paid. They received just Rp.2 a day, together with subsidised rice, salt and palm oil, for a 48-hour, six-day workweek. The union demanded Rp.5 a day plus a free package of food, textiles and other goods. The quick response of the Shipping Employers Association was a tacit acknowledgement that wages were grossly inadequate. It also reflected a realisation that it was in a much weaker position in the postcolonial state and that a prolonged strike would be costly. It offered to double wages to Rp.4 a day plus 25 cents for each ton of cement or fertiliser loaded and unloaded and 15 cents for each ton of other goods. It also offered to provide food at government distribution prices, which were significantly below market prices, and to introduce paid sick leave.[5]

Convinced that a doubling of wages and a greatly improved in-kind package was a significant achievement, union leaders called a meeting of strikers and recommended acceptance of the offer and a return to work. To their surprise, workers refused. They were in no mood to compromise, believing that they had the upper hand. The harbour came to a complete halt on 8 January when 2,000 workers from the Unie Kampung joined the strike. For ten days they had continued to load and unload ships but, in solidarity with strikers, had

[3] Pusbindo later became transformed into the east coast of Sumatra branch of Sobsi.
[4] Vereeniging van Werkgevers in de Scheepvaart en Aanverwante Bedrijven (Association of Employers in Shipping and Associated Services Industries), abbreviated to Shipping Employers Association.
[5] *PI-Aneta*, 5 Jan. 1950; *Java Bode*, 3 and 4 Jan. 1950; *Nieuwsblad voor Sumatra*, 7 Jan. 1950.

refused to move goods from the warehouses.[6] As a result, hundreds of empty railway wagons were lined up between the street and the warehouses. The union may have called them out in order to increase the pressure on employers. The day before, posters had been widely circulated in the harbour precinct and in the Unie Kampung calling on all dockworkers to show solidarity. That morning Pusbindo had also placed an advertisement in the local newspaper calling on all workers on the east coast of Sumatra to show solidarity with the striking dockworkers and urging them not to be strike-breakers.[7] But Unie Kampung workers may have made their own decision, independent of the union. One newspaper reported that they were walking in groups to the harbour as usual when they were met halfway by a large group of strikers. They stopped to talk with them and then turned around and returned to the Unie Kampung.[8] They were also badly paid and had much to gain from the strike succeeding.

The strike lasted three weeks, with plantations rallying behind the stevedoring companies and unions rallying behind the dockworkers.[9] Unions in both Sumatra and Java provided material support, and the SBKP collected donations from members in the Java harbours. By the end of the second week, it was reported to have collected Rp.3,600 in cash, one ton of rice, 60kg of dried fish and 322kg of sweet potato for distribution to strikers.[10] While this would have provided only a little to each striker, the ability of unions to collect donations and quickly get them to Belawan was an early warning to employers that times had changed. Workers' ability to stay on strike was assisted by a labour shortage that enabled them to get casual work in the nearby city of Medan or in surrounding villages.

The immediate impact of the strike was a rice shortage on the east coast of Sumatra, causing its price in the markets to soar. Fearful that this would lead to widespread unrest, in the second week of

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[6] *Waspada*, 9 Jan. 1950; *Java Bode*, 6 Jan. 1950; *Nieuwsblad voor Sumatra*, 5 Jan. 1950.

[7] *Kedaulatan Rakjat*, 12 Jan. 1950. The advertisement was in *Warta Berita* and reported in *Nieuwsblad voor Sumatra*, 9 Jan. 1950.

[8] *Nieuwsblad voor Sumatra*, 9 Jan. 1950.

[9] The British consul in Medan argued that "the original dispute is being lost sight of, and the dockers' strike now appears all set for a trial of strength between European capital's interests and organized labour." British Consul, Medan, Weekly Summary no. 2 (Confidential), 14 Jan. 1950, in FO 371/83683, NAB.

[10] *Waspada*, 17 Jan. 1950.

the strike police and military forces escorted 100 labourers from the Deli Society plantation to Belawan in order to release rice from overflowing warehouses.[11] In the third week, after Unie Kampung workers had joined the strike, the military escorted another 700 plantation labourers to Belawan to unload rice from ships and move it from the warehouses to railway wagons and trucks. Striking workers made no attempt to hinder the outside labourers, despite fears to the contrary, confident that in the new political environment employers would sooner or later have to concede to their demands. They were probably also influenced by assurances from army commanders that they had no intention of breaking the strike, despite demands from the Shipping Employers Association that they do so. Military intervention was limited to ensuring that enough rice flowed into the markets to keep a lid on prices. There was no attempt to load export commodities or move other goods out of the warehouses.

Ships were diverted from Belawan or departed unable to unload their cargo. Warehouses were full, and the Deli Railway Company, which serviced the docks, was almost at a standstill. Shipping companies, forwarding agents and the railway were losing increasing amounts of money. The plantations were also badly affected, as they were unable to get their products to market. The pressure on the Shipping Employers Association to resolve the dispute increased as it became clear that workers were determined not to give in. Having failed to persuade the army or the government to force workers back to work, employers had no choice but to make an acceptable offer. On 19 January agreement was finally reached with the SBKP. Employers agreed to a daily wage of Rp.4.75, plus a premium per ton for goods loaded and unloaded, and a 48-hour week. Workers would be paid an extra 90 cents an hour for overtime and be paid for Sundays and official holidays, with an additional Rp.4.75 a day if they worked on those days. There was provision for sick pay—an important consideration for dockworkers—and free healthcare for workers and their families. Finally, casual workers would be paid Rp.1 a day more than permanent workers, in lieu of not getting an in-kind package, and for the first time have the same overtime and piecework premiums as permanent workers.[12] Employers also agreed to pay workers 50 per cent of their normal wages together with their normal rice allowances

[11] *Waspad*a, 6 Jan. 1950; *Locomotief*, 10 Jan. 1950.
[12] *Nieuwsblad voor Sumatra*, 19 Jan. 1950.

for the days on strike. This was a major victory for Belawan dockworkers, with employers forced to concede to almost every one of their demands.

Palembang Oil Workers

In the middle of the Belawan harbour strike another major strike broke out at the Sungai Gerong oil refinery in Palembang, South Sumatra, operated by the Standard Vacuum Oil Company (Stanvac). Stanvac had managed its labour relations in the 1920s and 1930s through advisory committees of "trusted men". With the end of colonial rule and the emergence of labour unions, this was no longer a viable way of relating to employees, though the company was loath to abandon the structure.[13] As in Belawan, the strike began with unilateral action by workers. On 6 January 1950, workers in the refinery workshops began a sit-down protest that quickly became a full-scale strike of around 6,000 of the 9,000-strong workforce. They demanded wage rises of between 50 per cent and 100 per cent, paid annual leave with free transport back to their hometown or village (most originated from elsewhere in Sumatra or from Java), and overtime paid at three times the normal hourly rate.[14]

In 1950 there were at least nine unions for workers in the oil industry, the largest of which was the Jakarta-based Persatuan Buruh Minyak (Association of Oil Workers, Perbum). Its first secretary was Baay Salim, a brother of Agus Salim, a prominent pre-war nationalist and foreign minister between mid-1947 and the end of 1949. On learning of workers' unilateral action, Baay Salim immediately went to Palembang to try to take control of the dispute. Discussions failed, and on 9 January Stanvac locked out its Indonesian workers and placed the refinery on care and maintenance by European staff. Troops and police were sent to guard the refinery but were instructed not to intervene unless there was sabotage or other trouble.[15]

Perbum had great difficulty controlling the strike, which was led by skilled workers in the workshops. On 13 January Baay Salim

[13] See Massachusetts Institute of Technology, Center for International Studies, *Stanvac in Indonesia* (Cambridge: MIT, 1957), pp. 49–50; and Alex Hunter, "The Indonesian Oil Industry", in *The Economy of Indonesia: Selected Writings*, ed. Bruce Glassburner (Ithaca: Cornell University Press, 1971), pp. 254–66.
[14] *Pedoman*, 11 Jan. 1950; *PI-Aneta*, 11 and 12 Jan. 1950; *Locomotief*, 11 Jan. 1950.
[15] *Pedoman*, 14 Jan. 1950; *PI-Aneta*, 12 Jan. 1950.

met with representatives of workers in each of the Stanvac departments, informing them that the company had agreed to discuss their demands with Perbum but only after they returned to work. Workers responded that they did not trust the company and would return only if it promised to meet their demands in full. In a later interview with a newspaper reporter, strike leaders said that the workers' struggle was more effective when led by workers themselves and that the colonial system of differential wages based on race could not be allowed to continue in an independent Indonesia.[16]

Monday, 9 January, was payday, but strikers were not paid by Stanvac, even for the days they had worked the previous week. Perbum provided Rp.5 to each of them, and money was raised by sympathetic workers elsewhere in the Sumatran oil industry, but it was nowhere near enough for people who lived in a high-cost company town. Stanvac locked down the oilfields, the refinery and company housing. Nobody was allowed into the area without permission, and workers living on-site were not allowed to go into the town.[17] With the workers isolated at Sungai Gerong, without a rural hinterland to retreat to and no alternative work, the economic pressure took its toll. On 15 January, one day before the next scheduled payday, a delegation of workers met Stanvac management but were told that the company would not negotiate with them. They must first return to work and only then would discussions be held with their "proper representative", Perbum.[18] Workers could not afford to stay on strike any longer. On 16 January the refinery was reopened.

Perbum immediately began negotiations with Stanvac, but the company held firm. In early February Salim admitted that the union would either have to launch an industry-wide strike—a hazardous undertaking given that it had hardly any strike funds—or workers would have to accept "a gentleman's defeat" and plan further action against the company at a later date. The latter course was adopted. Stanvac agreed to a 30 per cent wage rise and the provision of 3kg of rice each week to lower-paid workers but rejected all other demands.[19]

Stanvac was in a far stronger position than the Shipping Employers Association in Belawan to hold out against a strike. It was

[16] *Pedoman*, 14 Jan. 1950.
[17] *Vrije Pers*, 13 Jan. 1950.
[18] *Pedoman*, 16 Jan. 1950.
[19] *Waspada*, 21 Feb. 1950.

not dealing with perishable goods, did not have overflowing warehouses with ships unable to land their cargoes, and was not under pressure from plantation companies. The strike was not without its cost to the company, but it was a very profitable industry and losses could be quickly recovered. There was also a strong element of hubris. A counsellor at the US embassy in Jakarta was quoted as saying of Stanvac, "they just don't like unions".[20] It was an attitude that was to lead to further conflict later in the year.

Strikes on the East Coast of Sumatra

At the beginning of January, the British consul in Medan observed that "no one was prepared for the widespread strike of stevedores which broke out in Belawan".[21] Nor were they prepared for the outcome. Plantations and other companies that had supported the Shipping Employers Association feared that the settlement would set a precedent. They were right. Dockworkers had demonstrated the power of the strike, and their success created a benchmark for other workers on the east coast of Sumatra. Medan workers joined labour unions in large numbers and without waiting for outside leadership took spontaneous action against employers.[22]

Three of these strikes are illustrative of the dozens of stoppages by Medan workers in the early months of 1950 and the efforts of union officials to persuade them to return to work so that they could negotiate with employers. At the beginning of February, 27 workers at a Medan warehouse went on strike, accusing the company of not fulfilling a promise to match the wage rises achieved by Belawan dockworkers. One of the strike leaders sought support from the executive of the Serikat Buruh Import-Export en Firma (Union for Workers in Import/Export Companies, Serbief) but defiantly stated that "The responsibility for this action lies with us alone. We hope only for solidarity from our union friends." The strike lasted over two weeks, with the union eventually persuading the company that there would be no return to work unless it met workers' demands.[23]

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[20] Quoted in Kermode to Bevan, 29 Nov. 1950, in FO 371/83794, NAB.
[21] British Consulate, Medan, Weekly Summary no. 1 (Confidential), 6 Jan. 1950, FO 371/83683, NAB.
[22] *Waspada*, 24 Oct. 1950.
[23] *Waspada*, 2 and 18 Feb. 1950.

In the same month workers at the Petroleum Board in Medan walked out, again demanding wage rises similar to those obtained by Belawan dockworkers. When a local reporter asked them whether they were prepared for a lengthy strike, they showed both pride in the successful fight for independence and determination to achieve what they considered "fair and reasonable" demands: "We Indonesians, whose land is fertile and rich, have already achieved independence and, come what may, are determined to continue to strike until our demands are met in full."[24]

The third example is of 700 labourers at the Medan central market who walked out mid-morning in early March. Once again, the workers union was caught unawares. It hurriedly organised a meeting that evening where workers presented a long list of demands, including a 75 per cent wage rise, a 37.5-hour workweek, double time for Sunday work, a cost-of-living allowance, improvements to their rented houses, and one week's holiday annually. The following day a newspaper reported that "there was an atmosphere of complete freedom in this meeting, everyone expressing the emotions of Independence Day".[25]

These local stoppages were followed in March and April by a total strike in the Medan-based Deli Spoorweg Maatschappij (Deli Railway Company, DSM) and extensive strikes on the east coast of Sumatra plantations. Both were organised by unions that mobilised discontented workers who were well aware of the gains that Belawan dockworkers and other Medan workers had achieved by going on strike. DSM was the only private railway company still operating in Indonesia. Its workers were members of the Serikat Buruh Kereta Api Deli (Deli Railway Workers Union, SBKAD), formed sometime in late 1949 as a branch of the Java-based railway workers union Serikat Buruh Kereta Api (Railway Workers Union, SBKA) but operating with a great deal of independence. On 28 January SBKAD delegates from its 16 sub-branches sent a list of demands to DSM management that included a 200 per cent increase in the minimum wage (then a miserable 60 cents a day) and 6kg of free rice each week. The DSM managing director referred the claims to the Netherlands and in mid-February replied with an offer of a 100 per cent increase in the minimum wage and 3kg of rice a week. A union meeting on

[24] *Waspada*, 10 Feb. 1950.
[25] *Waspada*, 4 Mar. 1950.

8 March rejected the offer, and DSM promised a revised offer by 13 March.

On 12 March DSM informed the union that it was waiting on a response from the military governor to its request for him to mediate. A meeting of union delegates now resolved that if their demands were not met by 21 March they would strike.[26] In an attempt to take the dispute out of the hands of delegates, on 20 March union branch officials announced that they had reached a compromise with the company. Once again union officials misread the mood of workers. A further meeting of delegates rejected the compromise and resolved to carry out their threat of a company-wide strike.[27] On 22 March, 3,000 workers went on strike, stopping the movement of goods and disrupting the telephone service on the east coast of Sumatra managed by DSM.

The DSM strike was quickly followed by strikes on the plantations. The Serikat Buruh Perkebunan (Plantation Workers Union, SBP) was the first union for plantation workers on the east coast of Sumatra, formed in Medan on 18 December 1949 under the leadership of S. Soufron. Concerned about the Communist orientation of the SBP, on 5 February 1950 the Medan lawyer Hutomo Silitonga formed a rival union, Perbupri. Later that month the Java-based and Sobsi-affiliated plantation workers union Sarbupri established an office in Sumatra.[28]

On 20 February the SBP announced its opposition to the continuation of colonial-era conditions. Its "urgent action programme" included formal recognition of the union, increased wages, a 40-hour workweek, double time for work on rest days, 14 days' paid annual

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[26] *Waspada*, 15 Mar. 1950.

[27] *Java Bode*, 25 Mar. 1950; *Nieuwsblad voor Sumatra*, 23 Mar. 1950.

[28] There was intense competition between the SBP and Sarbupri, despite both being members of Sobsi, with Soufron determined that the SBP, as an independent Sumatran organisation, would be the dominant union. In July Sarbupri admitted defeat and agreed to a fusion of the two organisations on conditions laid down by Soufron. Sarbupri disbanded its district office in North Sumatra, recognised Soufron as the chairman of the SBP-Sarbupri North Sumatra commissariat and acknowledged the autonomy of the new Sumatra district. There is an extensive discussion of the formation of labour unions on the east coast of Sumatra in Avros, Nota, "Vakvereenigingen van arbeiders op cultuur-ondernemingen in de Negara Sumatra Timur", 11 Aug. 1950, in Archief Commissariaat te Medan, Inv. no. 164, NADH.

holiday, replacement of barrack housing with a house and half hectare of land for every family, the recruitment and dismissal of workers only after consultation with the union, a consumption cooperative with the initial capital provided by companies, and back pay for the war years.

A month later, on 28 March, the SBP submitted a comprehensive log of claims on the two plantation employers associations: Deli Planters Vereeniging (Deli Planters Association, DPV) for tobacco and Algemeen Vereenigingen van de Rubber Planters ter Oostkust van Sumatra (General Association of Rubber Planters on the East Coast of Sumatra, Avros) for rubber, tea and palm oil.[29] In support of these claims Soufron published an open letter in Medan newspapers in which he cited a recent report by the Eikman Institute in Jakarta that a family of a husband, wife and two children on the east coast of Sumatra needed a minimum income of Rp.9 a day. The reality, he said, was that workers and their families "lived on half full stomachs" because they received only Rp.2.71 a day. Colonial-era regulations had to be changed: "As long as colonial regulations and Dutch colonial-era oppression are still in place and defended in the East Sumatra plantations then Indonesians, who are now free, will not suffer in silence and will not accept being treated like a bought servant or even lower than an 'ox'."[30]

The DPV and Avros rejected the SBP's demands, with Avros declaring them "completely unreasonable" and the DPV confidently stating that its workers were "content" (*senang*).[31] Faced with the Avros/DPV refusal to negotiate, the SBP announced an industry-wide strike on 3 April.

With harvesting just beginning on the higher plantations and planting on the lower ones, the strike came at a critical time for tobacco plantations. The government estimated that if the strike lasted two weeks the tobacco crop would be ruined, with a loss of US$30 million.[32] In an attempt to avert this, but still refusing to negotiate with the SBP, on the morning the strike was due to begin the DPV announced an immediate 30 per cent increase in male wages and 10 per cent in female wages. In addition, it would in future provide

[29] *Waspada*, 1 Apr. 1950.
[30] *Waspada*, 2 Apr. 1950.
[31] The comments were reported in *Nieuwsblad voor Sumatra*, 1 Apr. 1950.
[32] *Java Bode*, 5 Apr. 1950.

a free food package instead of a subsidised one, and would pay child allowances for up to four children instead of the current limit of two. The sudden realisation that workers were not "content" was too late. After the midday meal on 3 April, 80 per cent of the workforce on DPV plantations walked out.[33] On 7 April the SBP extended the strike to Avros rubber plantations and a few days later to its tea and oil palm plantations.

The plantations and the railways on the east coast of Sumatra were now almost at a standstill, and DSM could only maintain a skeleton telephone service with the use of European staff. On 9 April the military governor of North Sumatra intervened by writing to the DSM strike committee that while he did not want to limit the use of the strike weapon he hoped for a speedy resolution. He expected workers' industrial action to be peaceful and mindful of its impact on the national economy and the local society. He called on workers and employers to engage in constructive discussions, noting that DSM had already agreed to raise its offer of a minimum wage to Rp.1.50 a day.[34]

On 6 April the RIS cabinet discussed the Sumatra strikes and decided to send the minister of labour, Wilopo, to Medan to resolve them.[35] Wilopo met companies and unions separately. He assured unions that the government supported them and intended to reform labour laws but urged that disputes be resolved without strikes in order to protect vital economic assets.[36] He took a stronger line with DSM, DPV and Avros, informing them that they must increase wages significantly because workers on the lowest wages lived "at starvation levels".[37]

DSM was the first to cave in to pressure from Wilopo by increasing its offer and agreeing to pay workers for the days on strike.[38] The DPV quickly followed with a 100 per cent increase in total wages. Avros protested to DSM and the DPV and continued to hold

[33] *Nieuwsblad voor Sumatra*, 4 Apr. 1950. Avros was not impressed with the DPV for unilaterally increasing wages, stating that "the DPV has lost the first battle in the present conflict". See Notes on Avros Meeting, 4 Apr. 1950, in Archief Federabo, Inv. no. 210, NADH.
[34] The letter was published in *Waspada*, 9 Apr. 1950.
[35] *Locomotief*, 8 Apr. 1950.
[36] *Waspada*, 11 Apr. 1950.
[37] *Nieuwsblad voor Sumatra*, 11 Apr. 1950.
[38] *Nieuwsblad voor Sumatra*, 14 Apr. 1950.

out even though it quietly authorised its negotiators to increase its offer if necessary.[39] At a meeting with the SBP, Perbupri and other unions on 15 April it tried to counter the impact of the DPV settlement by arguing that the financial position of the tobacco industry was much stronger than that of the rubber industry; but when unions demanded detailed costs of production it refused to provide them. The Avros chairman informed his executive that the highest affordable wages were those that could be paid by the least financially viable company.[40] A determination to protect the weakest companies, and by implication protect the profits of the stronger ones, resulted in Avros constantly taking a hard line against union demands in the 1950s.

Under continuing pressure from Wilopo, and in the face of union solidarity, Avros finally conceded defeat. The last issue under dispute was unions' demand that workers be paid for the days on strike. Avros at first resisted but finally, at Wilopo's insistence, agreed to an "allowance" of 50 cents a day, which in effect was half of lost wages. On 22 April it signed its first collective agreement with the six plantation unions. The minimum daily wage for men was increased from Rp.1.15 to Rp.2.15 and for women from Rp.1.05 to Rp.2, with the provision of rice, maize, fish, oil and textiles to a value of Rp.1.85 per day for a man with a wife and two children.[41]

Labour Unrest in Jakarta

A dispute in the drydock company in the Jakarta harbour of Tanjung Priok on the eve of the formal transfer of sovereignty illustrates how long-standing conditions from the colonial era were no longer acceptable. At noon on Tuesday, 6 December, work stopped for the usual one-hour meal break but skilled workers in the machine shop refused to eat the free meal of salted fish, stating that it was vile. It was replaced by a new batch, but this too was rejected. Two foremen sent to discuss the issue with the men were told that they were tired of getting salted fish every day and wanted a greater variety of food.

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[39] Notes on Avros Meeting, 11 Apr. 1950, in Archief Federabo, Inv. no. 210, NADH.
[40] For the Avros industrial position, see Notes on Avros Meeting, 19 Apr. 1950, in Ibid.
[41] "Overeenkomst ten aanzien van minimumlonen" , 20 Apr. 1950, between Avros and SBP, PBP, Persatuan Buruh Delimij, Serikat Buruh Socfin, Serikat Buruh HVA and Sarbupri, dated 20 Apr. 1950, appendix to Avros Circular 85/50, 22 Apr. 1950, in Archief Federabo, Inv. no. 210, NADH.

At 3 o'clock that afternoon they left work early, stating they could no longer work because they had not eaten.

Over the next three days the Tanjung Priok Drydock Company provided vegetables and meat for its skilled workers' midday meal. On the Saturday morning around 300 were told that they were required to work an afternoon shift but because of the short notice the company would not be able to provide fresh food, only salted fish. Most workers walked out at noon in protest. The following Monday foremen approached company management requesting that workers be given a daily meal allowance of Rp.1.50 instead of a free meal so that they could purchase food from street vendors. The company refused, and after the midday meal break workers again walked off the job. The following day few turned up to work. On Wednesday, 14 December, one of the foremen approached a supervisor to tell him that workers would return to work if the company guaranteed a quality midday meal of meat and vegetables every day. The company agreed, and the following day work resumed as normal.[42]

The drydock company was surprised at workers' determination to overturn a long-standing practice and to take industrial action on what it considered a minor issue. With independence in the offing, a minor issue to the company was an important symbolic issue to workers. They were asserting their right to be treated with dignity. The company's managing director conceded to workers' demands because the workers were skilled tradesmen who would be difficult to replace. The remainder of the workforce seem to have continued to be given the cheaper salted fish for their midday meals. The quality of midday meals and demands for their replacement by meal allowances became an ongoing issue in many industries.

The drydock dispute was followed by dozens of disputes in Jakarta in January and February 1950. Newly elected leaders of workplace-based unions immediately demanded increased wages and backed their demands with strikes. In early January, for example, 2,000 workers at the Unilever soap factory in Jakarta went on strike after company management ignored requests to discuss wage increases and improve the quality of the midday meal.[43] Not all stoppages were over wages. At the end of January about 6,000 harbour workers walked off the job at the Tanjung Priok harbour because a ship's

[42] See Managing Director to D. Croll, 23 Dec. 1949, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 17, NADH.
[43] *Pedoman*, 8 Jan. 1950.

officer had used "vile language" and hit a worker.[44] Such behaviour, not unusual under colonial rule, was no longer tolerated. Spontaneous industrial action by Jakarta workers, who had been ignored by managements for so long, was for the most part successful. Workers' direct actions forced companies to pay substantial wage rises, reduce hours of work, provide rice allowances and pay overtime at higher rates. Unions also succeeded in gaining formal recognition as the representative of workers.

One of the longest strikes in Jakarta in early 1950 was at the Bata shoe factory. On 12 February, 1,800 workers walked out after negotiations between union and management broke down. The union wanted a 30 per cent wage rise, equal pay for equal work regardless of race, and formal recognition.[45] The company offered only a 23 per cent rise. Workers' anger was exacerbated because the workers believed that the company had broken a promise to pay them for looking after rubber trees on its plantation near Jakarta during the Japanese occupation and the early years of the revolution.[46] During the four-week strike workers regularly protested outside the factory and distributed pamphlets seeking support at railway stations and government offices and on buses and trams throughout the city. Other Jakarta unions collected money to support them and organised football matches and *sandiwara* (theatre troupe) performances to give strikers something to do during the day, while truck drivers and railway workers refused to move shoes from the Bata warehouse.[47] One reporter stated that workers told him they were prepared to stay on strike for half a year if necessary because they were being treated like goats, with the lowest-paid earning only Rp.3.50 a week. Showing how aware local union leaders were of the profitability of companies, they argued that as Bata made a profit of Rp.4 million in 1949 it could easily afford to meet workers' demands as it would cost only an additional Rp.624,000.[48] With workers holding out, the minister of labour eventually negotiated a compromise; and on 6 March the workers returned to work.[49]

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[44] *Vrije Pers*, 27 Jan. 1950.
[45] *Merdeka*, 14 Feb. 1950.
[46] *Kedaulatan Rakjat*, 2 Mar. 1950.
[47] *Pedoman*, 6 Mar. 1950; *Kedaulatan Rakjat*, 2 Mar. 1950.
[48] *Kedaulatan Rakjat*, 20 Feb. 1950.
[49] *Pedoman*, 6 Mar. 1950; *Vrije Pers*, 13 Mar. 1950; *PI-Aneta*, 14 Feb. and 12 Mar. 1950.

The most disruptive strike, though, broke out in mid-February when conductors and drivers walked off the job at Bataviasche Verkeers Maatschappij (Batavia Transport Company, BVM), which operated Jakarta's public transport. They turned up for work as usual but on learning that 16 conductors, a driver and two controllers had been dismissed—accused of poor work—immediately went on strike. By the middle of the day some 2,000 workers were on strike, including administrative and maintenance workers. The Serikat Buruh Tram dan Bus (Tram and Bus Workers Union, SBTB), formed during the Dutch reoccupation of Jakarta and a member of the Jakarta labour federation POB, only found out about the strike one and a half hours later, after some of the strikers came to its office to ask it to negotiate on their behalf with the company. The union quickly took control, persuading workers to return to work the following day and opening discussions with BVM. As a result, BVM agreed to negotiate a collective agreement and undertook in future not to dismiss a worker without prior consultation with the union.[50]

Not all workers returned to work. Members of a separate union, the Persatuan Buruh BVM (Association of BVM Workers, PBBVM), refused to end the strike until instructed to do so by their union. The Sobsi-affiliated PBBVM had been formed early in January and had made inroads into the BVM workforce by arguing that the SBTB and the POB were ineffective in representing their interests. Its chairman was Kamarudin, a BVM welder who was also an executive member of the Jakarta branch of the PKI. BVM refused to recognise the new union. One week before the walk-out, Kamarudin received a written ultimatum from BVM management to "decide between being a welder or a leader of a political party". Kamarudin resigned. The PBBVM also had no prior knowledge of the walk-out: like its competitor, the SBTB, it was opposed to wild strikes. It called a meeting of members and ordered them to return to work so that it could open negotiations with BVM.[51] The dismissed workers were reinstated, but BVM agreed to negotiate a collective agreement only with the SBTB. Its continued refusal to recognise the PBBVM because of

[50] *Pedoman*, 18 and 21 Feb. 1950; *Vrije Pers*, 12 Feb. 1950.

[51] This paragraph on the Persatuan Buruh BVM is based on "Rapat Anggauta Persatuan Buruh BVM Jakarta, dilangsungkan pada hari Sabtu, 18 Februari 1950 di gedung Miss Tjitjih, Kramat, Djakarta", Executive PBB, 18 Feb. 1950, in Arsip Kabinet Presiden RIS, Inv. no 351, ANRI.

its relationship with Sobsi resulted in further industrial action a few months later.[52]

A dispute involving permanent workers in the Tanjung Priok Unie Kampung in April was one more conflict in the Indonesian harbours initiated by workers themselves. On 1 April KPM reached a settlement with the sailors union (Serikat Pelayar Seluruh Indonesia, SPSI) and the union for KPM administrative and land-based workers (Serikat Buruh KPM, SBKPM), thereby averting a threatened strike. As part of the settlement KPM increased wages and improved conditions, including undertaking to create a pension fund.[53] This settlement angered foremen in the Unie Kampung who some time earlier had approached Unie Kampung management seeking improvements to the wages and conditions of the permanent labourers in the harbour. Their demands included a workday from eight in the morning until four in the afternoon (a reduction of one hour), with overtime paid for hours worked outside these times, a wage increase of around 50 per cent—to Rp.3 a day for ordinary workers and Rp.5 a day for foremen—improved food, more piped water for drinking and washing, an end to restrictions on the use of electricity in the evenings, and company payment of burial costs. The approach was made independently of the dockworkers union, the SBKP.

When they received no response to their demands, the foremen turned to the SBKP for support. The union had a strong base among the foremen in the Unie Kampung and through them was able to influence the permanent workers living there.[54] In order to retain this support it had no choice but to increase the pressure on the stevedoring industry by warning that it would call a strike if it did not receive a response within 24 hours.

On 3 April the SBKP called a strike of around 9,000 workers, which brought the Tanjung Priok harbour to a standstill.[55] A few days later thousands of strikers held a demonstration at the harbour, waving red and white national flags and holding banners aloft. "We will remain on strike until our demands are met," stated one defiant banner.[56] The Tanjung Priok Labour Office, realising the potential

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[52] *Java Bode*, 5 May 1950.
[53] *Pedoman*, 3 Apr. 1950.
[54] See Supriyono "Buruh Pelabuhan Semarang".
[55] Elliott, "'Bersatoe Kita Berdiri Bertjerai Kita Djatoeh'", p. 125; *Pedoman*, 3, 7, 8, 14 Mar. 1950.
[56] *Java Bode*, 14 Apr. 1950.

seriousness of the strike if it lasted any length of time, brought the two sides together and tried to persuade the companies to compromise. Its intervention was successful. The strike ended on 14 April, after a multi-union agreement with the Shipping Employers Association that included a 43-hour week, a minimum daily wage for casual workers of Rp.3.50, plus a free midday meal and 500gm of rice per day. Unie Kampung workers were to be given Rp.3 a day plus three free meals and a rice allowance for their wives.[57] Once again the lesson was clear to workers and their unions. Employers would only improve wages and conditions after a strike.

On 5 June, two days after it had called Tanjung Priok dockworkers out on strike, the SBKP expanded the strike to the drydock company.[58] The union had made considerable headway in recruiting skilled and unskilled workers and over several months had discussed a log of claims with the company. It wanted an enterprise agreement that regulated wages and conditions such as family allowances, annual bonuses, Lebaran allowances, overtime, annual leave, sick leave, and the payment of medical costs for workers and their families. In early April the company's managing director warned his board in the Netherlands that settlement of the dispute with KPM unions would force him to match the new wages and conditions.[59] However, negotiations with the SBKP stalled, probably because the managing director was conscious that he was expected to maintain the same profit margin as before the war.[60]

During the strike workers congregated each day outside the drydock gates to dissuade strike-breakers. They also met at the nearby Tanjung Priok railway station, where union leaders urged them to stay the course. Surprised by their action, the company's managing director asked a number of workers why they had stopped work. "Sir, I am hungry," replied one man, "and my child has nothing to eat."

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[57] *Pedoman*, 11 Apr. 1950; *Java Bode*, 14 Apr. 1950.

[58] *Merdeka*, 8 June 1950.

[59] Managing Director to D. Croll, 12 Apr. 1950, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 17, NADH.

[60] In a letter to the chairman of the board immediately after the strike was concluded and a protocol with the unions agreed to, the managing director expressed his concern about the impact of the cost increases on the company's ability to meet the board's instructions to maintain the same profit margin as in earlier years. See Managing Director to D. Croll, 10 July 1950, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 17, NADH.

Perhaps this caused the managing director to rethink his position and via the company's clerks, who were not on strike, let it be known that he would agree to a wage rise, and even make it retrospective, if there was first a return to work.[61] After two weeks, under pressure from the Tanjung Priok Labour Office, the company entered into serious negotiations with the SBKP.

Agreement was finally reached and a protocol signed. This was a major victory for the SBKP. It was formally recognised as the representative of the company's workers. The major sticking point was its demand for workers to be paid for days on strike. Unions consistently demanded that employers pay workers for the days they were on strike, arguing that strikes occurred because colonial mentalities blinded managers from seeing that wages and conditions inherited from the colonial era were no longer acceptable. They were also aware that without back pay for the days on strike, workers—who lived largely from day to day—would be much less likely to take industrial action. Managers objected to what they saw as companies financing workers to strike, but in the face of union insistence they usually eventually compromised.

The drydock company managing director agreed with his Netherlands board that paying workers for days on strike was anathema in the European context but urged a pragmatic approach in Indonesia. With no further paydays before Lebaran, the board finally agreed to him making a "gift" to striking workers provided they returned to work immediately. In its eyes this maintained a principle while providing the same amount of money as if workers had been paid their full wages while on strike. The union called a meeting of strikers, who agreed to return to work on the new wages and conditions, including the "gift".[62]

Surabaya

Surabaya had a long history of unionism and labour militancy dating back to the early 1920s. After the transfer of sovereignty labour

[61] Ibid.

[62] "Verslag vergadering op Woensdag 21 June en Donderdag 22 June 1950 onder leiding van de heer Gondokoesoemo ten kantor van de Arbeidsinspectie", enclosed in Managing Director to D. Croll, 24 June 1950, Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 17, NADH.

unions were quickly revived, particularly in those industries with a pre-war tradition of unionism. At the beginning of 1950 the city had two labour union federations for private sector workers, the Gabungan Serikat Buruh Industrie dan Perbengkelen Particulier (Federation of Private Industry and Workshop Unions, Gasbip) and the Federasi Buruh Indonesia (Indonesian Workers Federation, FBI). Both were established before the transfer of sovereignty, but their activities were limited while Surabaya was under Dutch control. Sobsi established a Surabaya branch in late February 1950, making it the third labour union federation in the city, and Gasbip became one of its 15 founding members.[63] Almost immediately Sobsi mediated a sudden strike in the Surabaya gas factory. One morning early in March work began as usual at the factory when suddenly a call went out, "Fifty per cent". Workers then walked out demanding a 50 per cent wage rise and a reduced workweek of 40 hours. After FBI efforts to persuade workers to return to work failed, the new Sobsi branch seized the opportunity to establish itself as an effective advocate for workers while persuading employers that it was an organisation with which they could work. It opened discussions with gas factory management and persuaded workers to return to work while it negotiated their demands.[64]

As in other cities, Surabaya employers were organised into industry associations. The Surabaya branch of the Industrial Association was more conscious of anti-Dutch sentiment among workers than its counterparts in other cities and moved quickly to minimise industrial conflict. In late January it discussed union demands and decided to encourage the creation of a single union federation in Surabaya with which it could negotiate industry-wide minimum wages and conditions. It also advised member companies that they should maintain good relationships with union leaders.[65] The pragmatism of the association saw it establish a committee to investigate wages and conditions in Surabaya industries that included two members from the FBI.[66]

The committee report in early March became the basis for negotiations between unions and employers over succeeding months.

[63] *Vrije Pers*, 27 Feb. 1950.
[64] *Nieuwsblad voor Sumatra*, 16 Mar. 1950; *Vrije Pers*, 17 Mar. 1950.
[65] The meeting is reported in *Locomotief*, 20 Jan. 1950.
[66] *Vrije Pers*, 9 Feb. 1950.

Major recommendations included a 50 per cent increase in the minimum weekly wage, based on a six-day, 48-hour week. The committee accepted the argument of unions that in a tropical climate overtime was a heavy burden on workers that should only be required in unavoidable circumstances. It therefore recommended penalty rates of time and a quarter for the first hour of overtime, time and a half for the second hour, and double time for all subsequent hours. Sunday work was to be paid at time and a half for the first four hours and double time for subsequent hours. The committee also accepted the argument of unions that the highest percentage increase in wages should go to the lowest-paid workers.[67]

The FBI was the first of the labour union federations to be recognised by the Surabaya Industrial Association, but by March Gasbip had become much stronger. As a result, the association favoured negotiating with Gasbip rather than the FBI. Gasbip was a powerful opponent but at the same time worked with employers to mediate industrial disputes. As in other Java cities, wild strikes were common in Surabaya; but Gasbip was better able to bring them under control than federations elsewhere, while still using them to pressure companies to accede to workers' demands.

Two wild strikes illustrate the success of Gasbip in managing workers' spontaneous actions. The first was at the Ruhaak metal fabrication company on 13 March, when workers refused to start work, demanding that the company increase wages by 30 per cent. The company manager summoned leaders of their union, Serikat Buruh Ruhaak, all of whom were employees, and offered a much smaller wage rise. The union put the proposal to workers, who rejected it. Further discussions failed to achieve an agreement acceptable to workers, and the company decided to dismiss the strikers. The Surabaya Labour Office intervened, recommending that Ruhaak reinstate dismissed workers and pay them for the days on strike and that workers return to work so as to enable negotiations. Ruhaak rejected the recommendations and refused further negotiations with the union. The Serikat Buruh Ruhaak then turned to Gasbip for support. By threatening widespread industrial action, Gasbip succeeded where the Labour Office had failed. Ruhaak quickly agreed to re-employ all dismissed workers, pay them for the ten days on strike, and enter into

[67] The report is summarised at length in *Vrije Pers*, 10 Mar. 1950.

negotiations with Gasbip, Serikat Buruh Ruhaak and the Surabaya Labour Office on new wage rates.[68]

The second wild strike was at the Ngagel Rubber Company, where workers walked out at the beginning of March. The Saturday morning after the strike began, strikers turned up at the factory to listen to speeches from the company manager, an official from the Ministry of Communications and the Surabaya military governor. All asked them to end the strike. A member of the union executive also urged them to return to work so that the union executive could negotiate with the company. The company manager even promised to pay workers for the days on strike if they returned to work the following Monday morning. Workers were defiant, stating that they would stay on strike for as long as a year if necessary, until all their demands were met. It took Gasbip intervention to persuade them to end the strike and the company to meet their demands.[69]

A dispute in April was more difficult to resolve. At the beginning of the month five metal fabrication companies announced that they intended to retrench 248 workers, 10 per cent of their workforce, because of a shortage of orders. Gasbip argued that the retrenchments were in breach of an unwritten agreement with the Industrial Association and that the companies had targeted union officials recently involved in industrial action. It threatened a Surabaya-wide strike if the retrenchments were not rescinded.[70] Talks between Gasbip and the Industrial Association failed because the latter would not shift from its view that employers had the sole right to decide whom they employed. It argued that the retrenchments were carried out fairly and that workers had been offered between two and five weeks' pay, depending on their length of service. It demanded that Gasbip guarantee that there would be no strike pending further discussions, a guarantee Gasbip refused to give.

Two days later the Industrial Association submitted a revised proposal to Gasbip in an attempt to head off a strike. It now undertook to pay retrenched day-wage workers six weeks' wages, irrespective of their length of employment, and monthly paid workers three months' wages. It also said that it was prepared to negotiate

[68] This paragraph is based on reports in *Trompet Masjarakat*, 22 Mar. 1950; *Vrije Pers*, 16, 20, 21, 22, 23 Mar. 1950.
[69] See *Kedaulatan Rakjat*, 7 Mar. 1950.
[70] *Vrije Pers*, 17 Apr. 1950.

the creation of uniform and improved labour conditions. Although Gasbip was a strong organisation, it was a federation and like other federations could make important decisions only with the agreement of its affiliates. A meeting of member unions rejected the offer and decided to increase the pressure on employers by holding an immediate Surabaya-wide strike.[71]

Early on the morning of 17 April workers assembled as usual at the Ngagel industrial estate, but instead of entering the factories they marched together to the Tembaksari Square in the middle of Surabaya carrying banners and placards with slogans such as "Destroy colonialism", "Prices increasingly high, workers half dead" and "Employers should change their attitude in a free Indonesia". Workers from all over Surabaya joined the demonstration, and—fearful of violence—a large police force was stationed around the square with armed police mobile units visibly in reserve.

The depth of the concern among Surabaya authorities about the possibility of an extended citywide strike was evident in the presence at the rally of the governor and military governor of East Java and the head of the Labour Office. After informing the rally that a meeting of Gasbip, the Industrial Association and government officials would be held the following morning in the governor's office, Gasbip officials urged workers to trust the government and return to work. Repeated calls of "Strike" interrupted the speeches, but eventually workers accepted a Gasbip motion to return to work in order to give the government one week to find a resolution.[72]

The following day, 18 April, the governor of East Java convened a meeting of Gasbip, the Industrial Association and local officials. He promised to find a solution to the dispute, and Gasbip undertook to get workers to return to work immediately. Under the auspices of the Labour Office, he established a committee comprising three representatives each from Gasbip and the Industrial Association, with a view to getting a collective agreement that would ensure industrial peace in Surabaya.[73] The army commander was present at the meeting but assured Gasbip that he would not interfere provided peace and order was maintained.[74]

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[71] *Vrije Pers*, 13, 15, 17 Apr. 1950.
[72] *PI-Aneta*, 20 Apr. 1950; *Pedoman*, 18 Apr. 1950; *Vrije Pers*, 18 Apr. 1950.
[73] *Vrije Pers*, 20 Apr. 1950.
[74] *Pedoman*, 18 Apr. 1950.

Two weeks later, on 2 May, the Industrial Association and Gasbip signed a collective agreement. This was the first citywide collective agreement in postcolonial Indonesia. Employers agreed to recognise unions and to discuss all workplace disputes with them. In return, unions undertook to give two days' notice and written reasons before launching a strike. Wage increases were progressive, ranging from 30 per cent for the lowest-paid to 10 per cent for the highest-paid, and were backdated to 16 March. The new minimum daily wage was set at Rp.2.60, the figure recommended by the March commission. From 1 May employers also agreed to provide a free midday meal for all employees. Finally, Gasbip recognised employers' right to dismiss workers but required six days' notice to the local Labour Office for mass dismissals (over ten people) with reasons provided for the action.[75]

Gasbip was a tough negotiator but had also demonstrated that it was able to manage worker activism. Despite constant criticism from shipping and stevedoring companies that they were intent on stirring up trouble, it is clear that unions also helped to manage the rampant disorder in the Surabaya harbour in 1950 and 1951. Union leaders often argued that the widespread petty theft by labourers in the harbour reflected their poverty and would be significantly reduced if wages were improved. They were intent on building strong, disciplined organisations, seeing large-scale theft—and more especially looting by armed gangs—as obstacles to achieving their industrial goals.

The chairman of the Tanjung Perak branch of the Serikat Buruh Laut dan Pelabuhan (Union of Sailors and Dockworkers, SBLP) was an engineer, Sardjono. In March 1950 the Indonesian government appointed him as harbour master. He was well qualified for the task, but the government may also have believed his union role would improve industrial relations in the harbour. One of Sardjono's first actions was to convene a meeting of representatives of the 23 companies operating in the harbour with the SBLP branch executive. The result was a joint employer/union committee to develop common conditions and a new wage structure. By the end of March there was agreement to increase the wages of casual day-wage workers from Rp.1.80 to Rp.2.50 and the wages of casual workers on the ships from Rp.2.50 to Rp.3.50. Casual workers were also to be provided

[75] *Vrije Pers*, 3 May 1950.

with two free meals a day and transport money to and from the harbour. Work on official holidays, Saturdays and Sundays would be paid as normal days, but workers would no longer be compelled to work.[76]

The first collective agreement in the Surabaya harbour was reached quickly and without conflict. The situation changed when on 17 April the SBLP submitted a more detailed log of claims to the Surabaya branch of the Shipping Employers Association that included a 100 per cent wage rise for the lowest-paid workers, a 40-hour week and improved meal provisions. Negotiations in March had succeeded in large part because they were conducted at the local level. This time it was different. The Shipping Employers Association central office in Jakarta wanted to control agreements. Negotiations stalled when the key issues of working hours and wages were referred to Jakarta. The implementation on 1 May of new national labour laws—which included a seven-hour workday, a 40-hour workweek and minimum paid annual leave for permanent workers—undermined employers' negotiating position and persuaded the SBLP to apply industrial pressure.[77]

On 5 May the SBLP held a meeting in the harbour and instructed workers to strike. The following morning a large group of dockworkers marched into Surabaya carrying banners and flags protesting employers' lack of response to their demands. The strike lasted ten days, ending only when the head of the Surabaya Labour Office insisted that the two parties enter into negotiations at the Surabaya office of the East Java governor. The result was a comprehensive collective agreement that incorporated the new national labour laws, regulated overtime payments and established a standard minimum wage across the harbour. Employers also agreed to pay workers for the days on strike, with the usual qualification that this should not be seen as a precedent.[78]

An appendix to the agreement shows both the SBLP's negotiating skills as well as employer recognition of its key role in the harbour.

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[76] *Pedoman*, 30 Mar. 1950; *Java Bode*, 9 and 29 Mar. 1950.

[77] These were the 1948 labour laws enacted by the Republic of Indonesia.

[78] "Overeenkomst tussen de S.B.L.P en de C.B.H te Surabaya", 3 June 1950, in Archief Commissariaat te Semarang, Inv. no. 97, NADH. On the strike, see also *Vrije Pers*, 11, 17, 26 Apr. and 6 May 1950; *Locomotief*, 6 May 1950; and *Pedoman*, 8 June 1950.

Employers agreed to make a one-off payment to the union of 40 cents a day for each day-wage worker employed between 2 April and 5 May, in recognition of the costs incurred in its effort to resolve the dispute. Given that unions shared information and built on each other's claims, the payment may not have been unique. The money involved was significant, probably in the order of Rp.40,000. It would have greatly strengthened union finances.

The offset for employers may have been another clause in the appendix under which the SBLP undertook to try to increase productivity, improve discipline and reduce theft in the harbour.[79] All were major issues that increased companies' costs. Significant improvement in these areas would have been well worth Rp.40,000. A newspaper report stated that once or twice a week an SBLP official spoke to dockworkers at the midday meal break, urging them to work harder and to give up stealing. It is difficult to determine their effectiveness, with the same issue of the newspaper containing a photograph of police searching workers as they were leaving the docks and confiscating large amounts of stolen goods.[80] Effective or not, it showed the intent of the union to maintain worker discipline and employers' recognition of its influence in the workplace.

Sobsi and Lebaran Disputes

The strike waves in the first half of the year climaxed in the weeks leading up to the first day of the Lebaran holiday on 17 July. More than one-third of the industrial disputes in the first half of 1950 occurred in these weeks. The newfound sense of empowerment emboldened workers to demand a Lebaran gift instead of the usual advance that had to be repaid. Spontaneous strikes broke out in many workplaces, but most were organised by unions that saw an opportunity to expand their influence. Sobsi also saw an opportunity to build its profile. By the middle of the year it had strengthened its central office, made significant progress on building a branch network in the major Java cities and affiliated at least 30 unions. The Lebaran campaign was the first time it coordinated an industrial campaign.

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[79] Appendix 1, "Overeenkomst tussen de S.B.L.P en de C.B.H te Surabaya", 3 June 1950, Archief Commissariaat te Semarang, Inv. no. 97, NADH.
[80] *Vrije Pers*, 10 June 1950.

In the middle of June, the Sobsi central bureau demanded a uniform payment to all public and private sector workers of one month's gross wages and for the government to make a payment to the unemployed. It also demanded that the government organise additional distribution of food and clothing to workers, farmers, army personnel, pensioners, the unemployed, invalids and all who had made sacrifices during the struggle against the Dutch. Finally, it demanded that public and private sector workers who were required to work through Lebaran should be paid double time.[81] These were ambit claims, with Sobsi leaders probably reasoning that faced with the possibility of widespread industrial action the government would intervene and force employers to give workers a better deal than they would otherwise be able to achieve.

Through the month of June hundreds of disputes broke out as workers and their unions tried to force companies to meet Sobsi's demands. Labour Offices were overwhelmed as they tried to settle disputes. A two-week strike in Semarang printing companies ended only when the Labour Office persuaded unions to accept a Lebaran bonus of two weeks' wages.[82] Shorter strikes occurred in shoe factories and textile companies in Semarang before the Labour Office mediated settlements. In Surabaya, there were strikes in dozens of companies. The longest began on 24 June in the Surabaya Drydock Company and ended only on 14 July, when the Labour Office brought together the company, the Shipping Employers Association and unions to hammer out an agreement.[83] Early in July over 1,000 workers walked off the job at four factories in Jakarta, and in Bandung there was a lengthy dispute between the Priangan Textiel Bond (Priangan Textile Association, Pretex) and the Sobsi-affiliated Serikat Buruh Tenun Indonesia (Union of Indonesian Textile Workers, Serbuti).[84] In Jakarta over 1,000 workers at four metal fabrication, rubber and trading companies went on strike on 11 July.[85] In Ceribon,

[81] *Trompet Masjarakat*, 12 June 1950.
[82] *Locomotief*, 15 July 1950. The chairman of the printing workers union in Semarang, Moh. Soleiman, was reported to have told the employers association at a meeting that "the strikers have said that they would rather eat grass than return to work". *Locomotief*, 7 July 1950.
[83] *Vrije Pers*, 15 July 1950.
[84] *Algemeen Indisch Dagblad*, 12 July 1950.
[85] Ibid.

Central Java, efforts by the Sobsi-affiliated Serikat Buruh Textiel (Textile Workers Union, SBT) at the end of June to bring a spontaneous strike of around 10,000 textile workers to an end failed because the employers association refused to meet with the union until after Lebaran.[86]

In the week before Lebaran, with many companies holding out and the government yet to announce the allowance it would pay to its own employees, Sobsi branches raised the stakes. On 10 July the Semarang branch issued an ultimatum: companies that did not immediately agree to its demands would be hit with strikes. Over the next few days, it organised meetings with individual unions to determine the most vulnerable companies. At the same time, in meetings with employers it was at pains to demonstrate its reasonableness by offering to accept smaller payments from financially weaker companies.[87] In Bandung, Serbuti announced that it would no longer recognise an agreement it had made with Pretex one month earlier, instead insisting that employers meet the Sobsi demands in full. Pretex refused. In Jakarta, workers at some companies who had already received Lebaran payments stopped work demanding food, clothing and even a cash advance.[88]

Tensions were further raised when the Sobsi Priangan branch in Bandung instructed four key unions to hold what it called a warning strike on the morning of 11 July. The four unions were for railway workers, *becak* (pedicab) drivers, gas and electricity workers, and motor vehicle drivers. Bandung was quiet that morning, with around 8,000 workers on strike. Trains were at a standstill as workers at the Bandung railway station, the head offices of the state railways and the railway workshops stopped work. Buses no longer operated, and *becak* were scarce on the streets. Other workers joined the strike in sympathy, including those from textile factories, printing companies and the post office. For an hour the city lacked electricity as workers at the city's generating plant staged a brief stoppage.[89]

The Bandung action had an immediate effect on the RIS government in Jakarta. On the afternoon of 11 July, the government announced that it would make a Lebaran payment to its permanent

[86] *Kedaulatan Rakjat*, 28 June 1950, cited in *Situasi Perburuhan*, June 1950, p. 8.
[87] *Locomotief*, 12 July 1950.
[88] *Algemeen Indisch Dagblad*, 12 July 1950.
[89] *Waspada*, 14 July 1950; *Algemeen Indisch Dagblad*, 13 July 1950.

workers of two weeks' wages to a maximum of Rp.100.[90] It clearly hoped that this would be a benchmark for private companies and quickly bring worker unrest to an end.

The government's decision did not deter Sobsi. At the same time as calling a warning strike, Sobsi Priangan urged workers to attend a public rally on 12 July to decide further action. On the evening of 11 July, activists went around the streets with loudhailers urging workers to attend and calling on them to prepare for a general strike. Sobsi miscalculated. The state of war and siege ordinance imposed on the formation of the RIS in December 1949 was still in force. Early on the morning of 12 July the West Java military commander banned strikes in essential industries, including the railways, the post office, the radio station and the utility companies.[91]

Military intervention was unexpected, though there had been indications for some time that military and civil authorities were becoming worried about worker unrest and demonstrations. Sobsi leaders in Bandung reacted by postponing the rally to the following day to give themselves time to reconsider their strategy. On 13 July about 4,000 people attended a rally and heard Sobsi leaders say they were now prepared to reduce their demands by 50 per cent. The rally was followed by a march to the governor's residence. Finding him not there, thousands of people sat down in the square in front of the residence surrounded by the police mobile brigade. At around 5.30pm the head of the Labour Office urged them to go home, but they refused. After Governor Sewuka arrived, the deputy chairman of Sobsi Priangan handed him two resolutions that the governor promised to forward to Jakarta. The first concerned Lebaran payments, and the second was a request for the government to overturn the military's strike ban.[92]

The following day, 14 July, the Sobsi Jakarta branch organised a public meeting to protest military intervention in Bandung. A large crowd was told that workers should no longer accept colonial conditions and should get a Lebaran bonus of one month's wages, not the

[90] *Algemeen Indisch Dagblad*, 12 July 1950.

[91] At the beginning of March the military commander had already signalled his preparedness to intervene in labour disputes when he banned strikes in the gas industry and forestry services and in companies servicing military needs. At the same time, he set up a committee to mediate in labour disputes, paralleling the local Labour Office. *PI-Aneta*, 5 Mar. 1950.

[92] *Trompet Masjarakat*, 16 July 1950; *Algemeen Indisch Dagblad*, 14 July 1950.

two weeks offered by the government. Independence, stated Sobsi Jakarta Chairman Munir, was for the benefit of all, not just the elite:

> In this time of freedom and sovereignty "dozens of fat men" have a fortunate life, making pleasure trips in government cars and living in houses like palaces. What have these people done for workers? Nothing. They even stand in the way of the worker celebrating Lebaran properly by not providing extra money, while the monthly wage is scarcely enough to support a family.[93]

The rally drew an immediate response from the Jakarta military commander. On 15 July he announced a ban on strikes in essential industries. In a move that foreshadowed a later decision of the government, he established an arbitration commission, to be chaired by his appointee and comprising a representative of the Ministry of Labour and employers and one each from the industry and labour union involved in a dispute. Decisions were by majority vote and were binding: failure to comply carried substantial penalties of up to one year in jail or a fine of Rp.10,000.[94]

By the end of July, military commanders in East Java and North Sumatra had also imposed strike bans. While the government later stated that they had acted with its approval, Minister of Labour Wilopo was adamant that commanders in West Java and Jakarta had acted without prior consultation with him.[95] In a wide-ranging interview at the beginning of August Wilopo reiterated his long-standing view that strikes were caused by socio-economic conditions and that "even if there are political factors in these strikes, these factors are of little significance". He further stated that he could only agree to strike bans of limited duration in exceptional circumstances. In his view, in the current circumstances they should be removed.[96] Military

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[93] The speech is reported extensively in *Algemeen Indisch Dagblad*, 15 July 1950.

[94] *Sin Po*, 18 July 1950, in *Situasi Perburuhan*, July 1950, p. 15; and *Situasi Perburuhan*, Aug. 1950, p. 2.

[95] In explaining the nationwide strike ban introduced in February 1951, the government stated that the regional bans by army commanders had occurred with its concurrence. See *Situasi Perburuhan*, Feb. 1951, p. 48.

[96] See Wilopo interview in *Merdeka*, 2 Aug. 1950. Sobsi used this interview as further evidence that the military bans were an attack on democracy. See the brochure published by the information bureau of the Sobsi central bureau, *17 August 1950*. A copy is in the CIA electronic archive, CIA – RDP82 – 00457R005800100007-4.

commanders clearly did not agree. The bans remained in place, leading to increased military intervention in industrial disputes in the second half of the year.

The strike bans imposed by the military were effective. Idul Fitri was only a few days away, and in the changed circumstances Sobsi and individual unions reached agreements with employers, in most cases for much less than originally demanded. Sobsi's first major industrial campaign revealed its limitations in the face of a military prepared to use its powers under the state of war and siege regulations.

Sobsi realised the seriousness of the military intervention. Its Bandung leaders declared the military commander's regulations unconstitutional and called on him to withdraw them. He refused but invited Sobsi to produce a clear argument as to why he should. In a move that would have increased the conviction of Sobsi's opponents that it had a growing number of sympathisers within the Ministry of Labour, Sobsi officials worked with the Labour Office in West Java to produce a document arguing that the strike ban was illegal. However, in recognition of the new reality, Sobsi guaranteed that if the ban was lifted it would consult with the army before calling a strike and during a strike would cooperate fully with the army, including ensuring that vital industries were not affected.

Sobsi representations were partially successful. Early in August the military commander withdrew his July regulation and issued a new regulation that limited, but did not prohibit, strikes. Unions were now required to give him 14 days' notice of a strike, including stating the date and place, the number of people involved, and the reasons for and objectives of the proposed action. They were also required to explain what had been done to settle the dispute and to acknowledge that they were aware of the interests of the state. If all these conditions were met a strike would be permitted, provided there was no breach of law and order. The required 14 days' notice prevented the outbreak of wild strikes and provided the military and civil authorities time to try to persuade parties to settle a dispute. Nevertheless, the military commander reserved the right to prohibit a strike.[97]

Sobsi's direct involvement in industrial action over Lebaran payments signalled a change in the pattern of disputes in the second half

[97] See *Kedaulatan Rakjat*, 18 Aug. 1950; *Algemeen Indisch Dagblad*, 28 July and 12 Aug. 1950.

of the year. Spontaneous walkouts continued, testing both local union leaders' ability to maintain control as well as their ability to successfully negotiate workers' grievances with employers. At the same time there was an increase in union-organised strikes as negotiations over collective agreement broke down. Many were localised, but there were major strikes in key sections of the economy, most notably on the plantations and in the harbours and the oil and textile industries, that were difficult to resolve.

Plantation Workers' Strike

On 20 August 1950 workers at plantations throughout Java went on strike. The strike lasted for one month, bringing operations at tea, coffee, tobacco, palm oil and rubber plantations to a standstill. It involved around 700,000 workers on over 800 plantations. It was organised by Sarbupri, and the determination of workers surprised employers. The total shutdown of the Java plantation industry, the unexpected organisational capacity of Sarbupri, the involvement of Sobsi, and the sympathy shown to workers by the Indonesian government and press alarmed Dutch employers.

Sarbupri was formed in Java in 1946. In 1950 it was the largest Sobsi affiliate, with an organisation reaching into the majority of plantations in Java and Sumatra. It had significant competition in Sumatra but was the only union on the Java plantations except for the sugar estates and factories, where the Serikat Buruh Gula (Sugar Workers Union, SBG) was pre-eminent.[98] The SBG was also affiliated to Sobsi; and the two unions cooperated closely, including supporting each other during industrial campaigns.

The Algemeen Landbouw Syndicaat (General Syndicate of Landowners, ALS) was the dominant association for plantation companies in Java. In June Sarbupri began negotiations for collective agreements with ALS, the government-owned plantation company (Pusat Perkebunan Negara, PPN) and the smaller Bond Eigenaren Besuki Tabak Ondernemingen (Association of Besuki Tobacco Companies, Bepto).[99] Little progress was made, and on 12 July the Sarbupri central executive instructed branches to prepare for direct

[98] See Stoler, *Capitalism and Confrontation*, p. 132.
[99] *Vrije Pers*, 9 Aug. 1950.

action by educating workers on the issues at stake and building support. If the ALS rejected its demands, branches were to coordinate demonstrations in front of plantation offices on Independence Day, 17 August. If this failed to force the ALS to accede to its demands, a Java-wide strike would begin on 20 August. Branches were instructed to ensure the strike was peaceful and orderly, to be on guard for provocation, and to ensure that plantations did not use farmers as strike-breakers. Aware that branches had often acted unilaterally or ignored directives from Jakarta, Sarbupri cautioned workers that they must obey the central executive's instructions.[100]

Discussions between the ALS and Sarbupri continued through the first weeks of August. On 16 August, the day before the planned demonstrations in front of plantation offices, Sarbupri reached an agreement with the government-owned plantation company (PPN).[101] Despite Sarbupri stating that it would accept the same terms from the ALS, further talks broke down because the ALS would not agree to a uniform minimum wage across all plantations irrespective of the crop.[102] Sarbupri now took advantage of the state of war and siege ordinance lapsing on 17 August with the formal proclamation of the unitary Republic of Indonesia. On 19 August the Sarbupri central executive instructed branches to begin a general strike the following day. At the same time, fully aware that the government was sympathetic to its cause, it wrote to President Sukarno urging him to persuade the government to intervene.[103] When the press reported this, the ALS responded by stating it was opposed to any form of government intervention, confident that the majority of plantation workers did not support the strike and were content with their present incomes. It also believed that a strike would last only a few days because the union had no strike funds and workers had no savings on which to fall back.[104]

With the exception of the government-owned plantations and some private ones that had quietly agreed to Sarbupri's demands,

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[100] "Instruksi no 1/PTP", Panitya Tuntunan Pusat, Sarbupri, Jakarta 12 July 1950 and "Pendjelasan Instruksi no. 1/PTP", in Rapport No. 57, Consul for South Sumatra, 19 July 1950, Archief Hoge Commissariaat Indonesie, Inv. no. 318, NADH.
[101] *Vrije Pers*, 19 Aug. 1950.
[102] *Vrije Pers*, 18 Aug. 1950; *Nieuwsblad voor Sumatra*, 19 Aug. 1950.
[103] *Java Post*, 21 Aug. 1950.
[104] *Locomotief*, 23 Aug. 1950

on 20 August the Java plantations were quiet.[105] Sarbupri leaders appear to have believed that the strike would be effective within a week. They were concerned that the longer the strike lasted the more likely it was that they would lose control of strikers.[106] At the end of August, after a nine-day tour of West Java plantations where he met branch leaders and striking workers, the union's chairman, Coerdian, offered to end the strike if the ALS agreed to negotiate. He reiterated its four key demands: a minimum wage no lower than that recently agreed with PPN, the new wages backdated to 15 August (the date they were implemented by PPN), wages for the days on strike and no reprisals against strikers. The ALS refused, demanding an end to the strike before it would hold further negotiations with the union.[107] The attitude of the ALS is illustrated by a report on a meeting at Bogor of representatives of 24 plantations in West Java. The meeting concluded that the strike occurred because Sarbupri had intervened in the relationship between administrators and workers without workers requesting it. In a sign, though, that the strike was lasting much longer than the ALS had expected, its chairman indicated that he was looking to the government for a solution, stating that "any reasonable proposal from the government will be accepted by us, but we will do nothing that lets Sarbupri extort us".[108]

The ALS' insistence that the strike end before it would negotiate was unrealistic, showing how out of touch it was with the changed industrial and political environment. Sarbupri had invested much time and effort into organising the strike and could not be expected to surrender its major negotiating chip. On 1 September it announced that the strike would continue indefinitely. At the same time, it called on its parliamentary supporters to raise the issue at its next sitting with a view to getting government intervention.[109] A few days later,

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[105] About 86 private estates had accepted Sarbupri's demands, some of which were members of the ALS. As the strike continued, others joined them. *Locomotief*, 23 Aug. 1950; *Waspada*, 24 Aug. 1950. See also "Verslag over de maand Augustus 1950", Archief Commissariaat te Semarang, Inv. no. 144, NADH.

[106] See the interview by Ahem Erningpradja in *Merdeka*, 5 Sept. 1950.

[107] *Trompet Masjarakat*, 29 Aug. 1950. The editor of *Trompet Masjarakat* accused the ALS and the Dutch-language press of still thinking like the former conservative Minister Hendrikus Colijn in his book, *Koloniaal Vraagstukken van Heden en Morgen*.

[108] The meeting was reported at length in *Algemeen Indisch Dagblad*, 30 Aug. 1950.

[109] *Nasional*, 2 Sept. 1950.

Ahem Erningpradja, vice-chairman of Sarbupri and its representative in the parliament, stated that he would introduce a motion for government intervention.[110]

The government had made it clear for some time that it considered Sarbupri's demands to be reasonable. In an interview on 22 August the outgoing minister of labour, Wilopo, bluntly stated that the strike was the fault of the ALS. It could have been avoided, he argued, if the ALS had accepted Labour Office mediation and agreed to negotiate with the union. Wages on the Java plantations were too low, and, he argued, if government-owned plantations could afford to pay higher wages then so could the ALS: "These Sarbupri demands are reasonable as a basis for negotiations. I am also of the opinion that the ALS must increase wages. This is not only necessary but also most certainly possible."[111]

The inaugural cabinet of the new unitary Republic of Indonesia took office on 6 September. Prime Minister Natsir and the new minister of labour, Suroso, wanted to resolve the plantation strike quickly, partly to avoid an impassioned debate in the parliament and partly to bring an end to mounting losses in export income. They were in agreement with Wilopo that Sarbupri's demands were reasonable. The Erningpradja motion was scheduled for debate on 23 September.[112] The pressure on the ALS increased on 11 September after a dispute in the sugar industry was resolved by a collective agreement with the sugar workers union.[113] On 12 September Sarbupri wrote to Suroso informing him that unless the government resolved the dispute it would seek to widen it to a general strike, and at a press conference the following day it stated that if there was no resolution by 16 September it would hand over control of the strike to Sobsi.[114]

Worried that the dispute was in danger of getting out of control, on 15 September Natsir and Suroso brought the ALS and Sarbupri together to force a resolution. The ALS caved in, agreeing to a minimum daily wage of Rp.3 with an additional Rp.2 for work on Sundays, a seven-hour workday, a 40-hour workweek and payment

[110] *Locomotief*, 11 Sept. 1950.
[111] *Waspada*, 26 Aug. 1950.
[112] *Algemeen Indisch Dagblad*, 11 Sept. 1950.
[113] *Kedaulatan Rakjat*, 15 Sept. 1950; *Locomotief*, 11 Sept. 1950.
[114] *Trompet Masjarakat*, 15 Sept. 1950. The letter was reported in detail in *Pedoman*, 14 Sept. 1950.

of 50 per cent of wages for the days on strike. The wage rise was backdated to 15 August, as originally demanded by Sarbupri.[115] One month later the ALS and Sarbupri signed a collective agreement and established a joint committee to resolve differences. It was a total victory for the union. Employers and much of the Dutch-language press were alarmed. They worried, with some justification, that the new wages and conditions would flow on to workers in urban industries. One newspaper editorial melodramatically argued that "yesterday was the Munich of Indonesia's social politics".[116]

Why did almost the entire plantation workforce stay on strike for nearly one month? The key factor was the careful preparations by the Sarbupri central executive and its branches. Local leaders were the better-paid workers, often foremen or clerks, who had a great deal of personal influence both on the plantations and in the villages where workers lived. They convinced workers to stand united against employers, assuring them that they would prevail. A strike of this magnitude and length across geographically diverse plantations might easily have ended in disorder or violence. While there were a few reported incidents of theft, burning of crops, and deliberate damage to water pipes and other equipment, officials believed these were the work of gangs taking advantage of the strike.[117] Police reports emphasised that strikers were orderly, with Sarbupri leaders touring the plantations holding meetings to keep them informed and urging them to stay calm.[118] Strikers were organised to patrol plantations and factories to guard against theft or disorder. To the surprise of European managers, administrative and supervisory workers as well as female domestic workers also joined the strike. But Sarbupri had instructed workers responsible for the supply of electricity, water and telephones to the estates, as well as those in the estate polyclinics, to remain at work.

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[115] The agreement is contained in a joint announcement by the government, Sarbupri and the ALS, "Pendapat Pemerintah Tentang Penjelesaian Perselisihan antara Sarbupri dan ALS/Bebto", Yogyakarta, 15 Sept. 1950, in Arsip Sek Neg Kab PM, 1950–1959, Inv. no. 3022, ANRI. See also *Java Bode*, 16 Sept. 1950, quoting the PI-Aneta news agency.

[116] *Vrije Pers*, 16 Sept. 1950.

[117] "Pemogokan Umum Sarikat Buruh Perkebunan Republik Indonesia (Sarbupri)", Yogyakarta, Ministry of Labour, 18 Sept. 1950, pp. 1–2, in Arsip Sek Neg Kab PM, 1950–1959, Inv. no. 3022, ANRI.

[118] Ibid.

Peer pressure was also important. A foreman at a plantation where Sarbupri was inactive but where all workers had nevertheless gone on strike was interviewed by a reporter. He had worked for 25 years on the plantation and had three adult daughters, all of whom worked on the plantation and had also gone on strike. He said that while he did not agree with the strike, he had joined out of a sense of solidarity, not because Sarbupri had forced him: "No, I can give you no explanation for my participation in the strike. But I hope that you understand that I could not do otherwise. I cannot work while others strike."[119]

Pressure on workers to join the strike was clearly strong in the close-knit rural communities that supplied most of the casual labour to the plantations. There were reports of strikers congregating on roads leading to plantations in order to dissuade waverers. There were also reports that many administrative workers—permanent employees regarded as "staff"—were nervous about going to work, with a greater number than usual reporting sick during the month-long strike.[120] But even anti-Sarbupri reports found very few examples of undue pressure being applied, let alone violence.

Much to the annoyance of employers, the Priangan Resident permitted the Sobsi Priangan branch to support Sarbupri by providing 12 people to help it organise meetings on the plantations. He insisted that they restrict meetings to explaining the strike and that strike action be peaceful, with no intimidation of workers.[121] The police escort provided to Sarbupri and Sobsi leaders as they moved around the plantations was ostensibly to ensure the maintenance of order but might well have persuaded strikers that the strike had government support. The Sarbupri branch secretary at one plantation was interviewed by a reporter who was trying to understand why workers joined the strike. He said that he had worked on the plantation for 20 years and that Sarbupri had explained that "one must strike in the interests of the state and of the workers themselves". Illustrating the perception of many workers, a perception that Sarbupri had done

[119] Ibid.
[120] Ibid.
[121] Resident Priangan to Governor of West Java, 9 Oct. 1950, in Arsip Sek Neg Kab PM, 1950–1959, Jld 2, Inv. no. 1722, ANRI. See also *Algemeen Indisch Dagblad*, 26 Aug. 1950.

much to cultivate, he stated that Sarbupri was a government instrument and expressed the hope that the government would end the dispute. If the government ordered them back to work, then workers would obey the order.[122]

For many plantation workers life was tough during the one-month strike. There was much less money around, with somewhere between 25 million and 50 million rupiah no longer coming into their pockets over that time. It was not just plantation workers who were affected. Markets and food vendors were quieter than usual, as were post offices and cinemas in the towns. However, pawnshops were very busy as people sought to get money to tide them over.[123] Many would have fallen deeper into debt with moneylenders. One of the reasons that Sarbupri insisted, as part of the settlement of the dispute, that workers be paid for the days on strike was to enable them to repay accumulated debt or reclaim pawned household goods.

In many places, committees were set up to collect money or in-kind support for strikers with reports that village heads were supportive.[124] Some strikers found work around their villages, while others survived in whatever way they could. One man stated he had gone into the forest to collect wood to sell in the nearby town but that he had rapidly run out of money.[125] In Subang, in the Bandung Residency, the Public Works Department was particularly busy at this time and provided work for some strikers.[126] One female worker in Central Java was reported to have told an official, "We are able to strike for three months with our own economic strength and will not return to work before there is a good settlement."[127]

Widespread sympathy from other unions was accompanied by the collection of food and money, which also helped strikers survive.

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[122] *Algemeen Indisch Dagblad*, 25 Aug. 1950.

[123] See the report by the Acting Bupati of Subang, 3 Oct. 1950, in Arsip Sek Neg Kab PM,1950–1959, Inv. no. 3022, ANRI.

[124] The Ministry of Labour argued that villages supported strikers "not because they want to support the strike, but because of the nature of village society based on mutual support (gotong-royong), helping each other in times of happiness and sorrow". "Pemogokan Umum Sarikat Buruh Perkebunan Republik Indonesia (Sarbupri)", Yogyakarta, Ministry of Labour, 18 Sept. 1950, p. 2. Arsip Sek Neg Kab PM, 1950–1959, Inv. no. 3022, ANRI.

[125] *Algemeen Indisch Dagblad*, 25 Aug. 1950.

[126] See the report by the Acting Bupati of Subang, 3 Oct. 1950, in Arsip Sek Neg Kab PM, 1950–1959, Inv. no. 3022, ANRI.

[127] *Antara*, 30 Aug. 1950, quoted in *Situasi Perburuhan*, Aug. 1950, p. 28.

At the end of August, for example, just ten days into the strike, the Bandung support committee had collected 1.5 tons of rice for strikers.[128] Many strikers could keep going because most plantations continued to make in-kind payment of wages even though they were on strike. This was the other side of the paternalism of estate managers. In the words of the ALS chairman, "We are not leaving our workers in the lurch, who for the most part have stayed away from work because of intimidation, but we do not want Sarbupri to lay down the law to us."[129] The continued provision of the in-kind component of wages may have lengthened the strike but probably ensured that it did not result in damage to crops or equipment. It was a sensible insurance policy for employers.

Sarbupri's threat to hand over leadership of the strike to Sobsi no doubt focused the government on getting a settlement. It was increasingly wary of the growing influence of Sobsi and concerned that it might be tempted to broaden the strike to other industries. However, despite the claims of some employers, the Dutch-language press and its opponents in the labour movement, Sobsi had little influence on the course of the strike. It was firmly under Sarbupri control. The Priangan branch of Sobsi had established a solidarity action committee that had enlisted some 40 unions to provide material support to strikers and decided to begin a total boycott of the ALS and its European staff from the morning of 16 September. Such staff would not be served in shops, *warung* (stalls) or restaurants, and all deliveries to the estates, including mail, would be stopped. The plan was never implemented, because of the agreement between Sarbupri and the ALS on 15 September.

Industrial Unrest in Sumatra

The three-week strike on the Java plantations demonstrated the growing strength of Sarbupri and its ability to channel the grievances of workers into effective industrial action. Plantation managers were shaken by the length of the strike, the government's public support of Sarbupri, and their own failure to persuade civil or military authorities to move beyond protecting plantations against violence or looting. However, despite high levels of inflation, employers continued to

[128] *Trompet Masjarakat*, 29 Aug. 1950.
[129] *Algemeen Indisch Dagblad*, 30 Aug. 1950; *Waspada*, 22 Aug. 1950.

resist union demands for increased wages, leading to a series of bitter disputes in the last quarter of 1950. The Belawan harbour, the east coast of Sumatra plantations and the Stanvac refinery at Palembang were once again the scene of major industrial conflicts that threatened both export earnings and state revenue. The minister of labour, the Indonesian cabinet and, more worrying for the government, regional army commanders all became increasingly involved in their resolution.

In the beginning of September the dockworkers union, the SBKP, organised a go-slow campaign in the Belawan harbour and banned overtime in support of a 19-point log of claims, the key element of which was an increase in the minimum daily wage from Rp.6 (cash and in-kind) to Rp.10, of which Rp.5.34 would be in cash and the rest in kind. Increasing the in-kind proportion of total wages was a growing strategy of unions in an effort to shift the risk of inflation from workers to employers. The SBKP also demanded that casual workers be paid the same wages as permanent workers.[130]

The union campaign slowed the harbour to 50 per cent of its normal capacity.[131] At the beginning of October, representatives of the local branches of the SBKP and Sobsi met with representatives of the Belawan committee of the Shipping Employers Association under the auspices of the Medan Labour Office. Negotiations stalled when employers refused any increase in daily wages. The union responded by calling a strike. On 2 October some 3,000 Belawan workers stayed away from work, including office workers and warehouse guards as well as dockworkers. Workers in the food distribution centres in Belawan and Medan joined, bringing the harbour and the distribution of rice to a standstill.[132]

The North Sumatra military commander immediately sent a detachment of troops to the harbour to maintain peace and prevent theft from the warehouses but with instructions not to intervene any further. However, when the union refused to allow dockworkers to unload government distribution goods from warehouses and ships, causing shops stocking rationed goods to close their doors and the market price of rice to increase by 50 per cent, the army stayed

[130] See summary of the log of claims in British Consulate, Medan, Weekly Summary no. 36 (Confidential), 5 Oct. 1950, FO 371/83684, NAB.
[131] *Locomotief*, 30 Sept. 1950.
[132] *Nieuwsblad voor Sumatra*, 3 Oct. 1950.

neutral no longer. It recruited men from Belawan and Medan to unload rationed goods. They met with a hostile reception from dockworkers. On 10 October the British consul reported that thousands of people turned out on the streets of Belawan to watch a parade of strikers protesting against military intervention: "Demonstrations and hostile speeches were made against the volunteer workers, two trains were stopped by bands of strikers and searched for volunteers, and there was some sporadic shouting at trucks and cars in the vicinity of the town."[133]

The following day, under armed guard, outside labour unloaded ships and loaded goods from the warehouses onto trucks and railway wagons. Military intervention was a circuit breaker. The SBKP had been continuing negotiations with the Medan Labour Office without the involvement of employers. Worried by the prospect of losing control of the strike, it quickly reached an agreement. On 12 October the North Sumatra military commander ordered Belawan harbour workers to return to work and employers to pay wages in accordance with new rates determined by the Labour Office.[134]

The difficulty of renegotiating the workplace in 1950 was further illustrated by the refusal of the Shipping Employers Association in Jakarta to accept the ruling of the Medan Labour Office. Concerned about ramifications for other harbours, it protested that local governments and army commanders did not have the authority to make such determinations. The chairman of the Medan committee of the Shipping Employers Association returned from discussions in Jakarta with instructions that companies should pay the new rates "under protest" and inform workers that this was an advance only, pending a final determination.[135] Not surprisingly, the SBKP responded by demanding that the government force companies to implement the decision of the Labour Office in full. Tensions increased when companies began to pay the new rates in cash, instead of about half in

[133] *Pedoman*, 4 Oct. 1950; British Consulate, Medan, Weekly Summary no. 37 (Confidential), 12 Oct. 1950, FO 371/83684, NAB.
[134] *Nieuwsblad voor Sumatra*, 12 Oct. 1950.
[135] The acting British consul at Medan reported that he had raised with the local manager of KPM the problem of companies challenging the authority of the government: "He replied that there was no real authority here, that the whole position is chaotic and will get worse until eventually the Dutch will have to be called in to run things again." British Consulate, Medan, Weekly Summary no. 38 (Confidential), 19 Oct. 1950, in FO 371/83684, NAB.

goods, arguing that there was a shortage of rice and other rationed goods in the open market.

The SBKP again began a go-slow campaign and again opened discussions with the Labour Office. In addition to demanding that companies implement the Labour Office's determination in full, it insisted on an end to them taking advantage of an increase in the number of people seeking work in the harbour by paying lower wages to casual workers. It wanted a common rate of pay for the low-paid casual labourers who moved goods to and from the docks, the railway wagons, the barges and the warehouses. The Labour Office expressed some sympathy, but wholesalers and importers/exporters argued that this would only lead to increased prices and absolved themselves of any responsibility by stating that they employed casual labour through contractors.[136]

With no resolution in sight, and a queue of ships waiting to load and unload at Belawan, the Jakarta government and the military brought the dispute to a head. The government ended employers' procrastination on implementing the Labour Office's determination by releasing additional food supplies to the companies so as to enable them to distribute the required rations. The army again brought in an outside labour force to clear the docks of overflowing cargo. The labourers worked night shifts under police protection, but on the fourth afternoon of their employment, when the trucks which brought them to the harbour stopped at the police post to get harbour passes, they were met by a crowd of around 800 workers from the Unie Kampung blocking their entry. The armed police mobile brigade was called in, and people were arrested, including the chairman, secretary and two executive members of the Belawan branch of the union. The following day at 8am, when work was due to start, the whole of the regular workforce of 3,000 again held a sit-down strike. At 10am the harbour superintendent sent them back to the Unie Kampung. That night, a strong force of police and military personnel protected the labourers brought in from outside.

A few days later, another 11 executive members of the union were arrested. Officials from the Labour Office then went to the Unie Kampung to inform workers that while the government was committed to improving their conditions it would not allow them to put millions of others people's lives and conditions at risk. With the

[136] *Pedoman*, 6 Dec. 1950.

leaders of the Belawan branch of the SBKP in jail and the military determined to ensure cargo was cleared from the ships and the docks, workers had no choice but to end their go-slow and overtime bans. The Belawan harbour returned to normal but continued to be a tense workplace.[137]

While the Belawan dockworkers' strike was being settled, another conflict broke out in the Stanvac oil refinery at Palembang. Perbum had learnt from its bitter experience of the January/February strike by establishing a fighting fund.[138] This should have created a significant fund, given that Perbum claimed around 22,000 members, but only about one-third paid regular monthly dues. Nevertheless, by the end of the year Perbum had at least some money with which it could support members.

The issues that had led to the strike at the Stanvac Sungai Gerong refinery earlier in the year had not been resolved, and in mid-September Perbum lodged a new set of claims designed to end race discrimination. Stanvac was still operating under colonial-era regulations that divided its workforce into three groups: Europeans recruited from overseas, Europeans recruited locally and Asiatic workers. Not only were the latter paid considerably less than the other two groups, even when doing the same job, but they were not entitled to paid annual leave and had considerably inferior pension rights. Perbum demanded equal pay for equal work, an end to recruiting European workers from overseas—except as a last resort—and paid annual holidays and improved pensions for Indonesians. As most of the Indonesian workforce was recruited from Java, Perbum also demanded that Stanvac pay the travel costs of their annual leave. When no progress was made by mid-October, the Perbum Sungai Gerong branch threatened a strike.[139]

On 23 October some 3,000 workers in the technical services division walked off the job, triggering a three-week strike. There had been a short strike at Stanvac Sungai Gerong in July by workers in the technical services division in protest about the behaviour of a

[137] This discussion of the Belawan conflict is based on British Consul, Medan, Weekly Summaries no. 39–43, 26 Oct.–7 Dec. 1950, FO 371/83684, NAB; *Pedoman*, 6 and 9 Dec. 1950; and *Nieuwsblad voor Sumatra*, 31 Oct., 1 Nov., 6 Dec., 11 Dec. 1950. The members of the SBKP Belawan executive were subsequently jailed for nine months (*Rakjat*, 17 Apr. 1951).
[138] *Pedoman*, 29 Sept. 1950.
[139] *Java Bode*, 18 Oct. 1950.

supervisor. Perbum had intervened, bringing the strike to an end by persuading Stanvac to move the supervisor elsewhere for three months and then to return him to his old job only after consulting with workers. Early in October Stanvac returned the supervisor to his old job without prior consultation.[140] With discussions about the Perbum log of claims stalled and workers already threatening industrial action, this was enough to cause a spontaneous strike. Two days later the strike widened to the water transport division, again without the prior knowledge of the union. Without transportation across the river to the refinery, work was brought to a standstill. Despite Perbum not having called the strike, Stanvac refused to further discuss its claims until workers returned to work.[141]

The Perbum branch executive, realising the potential dangers of wild strikes, quickly marshalled leaders in the Stanvac work units and urged them to maintain discipline and order. On 26 October, three days after the initial walkout, workers at the Stanvac hospital and polyclinic accepted the union's advice to return to work. A few days later teachers at the Stanvac school also agreed to return to work. Perbum leaders were particularly conscious of the danger posed by rumours and worked hard to ensure that branch and unit leaders kept workers informed of the progress of the strike and communicated a consistent message.[142]

Many of the workers in the technical services division were highly skilled and relatively well paid, but the majority of Stanvac's 9,000 workers were poorly paid labourers who had little or no resources to sustain them during the strike. The position of day-wage labourers had deteriorated in July. In an effort to circumvent the new overtime law that had just come into operation, Stanvac switched around 90 per cent of its 4,000 day-wage workers to hourly paid workers. This increased the insecurity of nearly half of its workforce.[143] The Sungai Gerong branch of Perbum established a committee to find work for the unskilled workers who were most at risk, many of whom might have reluctantly become affected by the shutdown of the refinery after water transport workers joined the strike. Some 2,500 were found work harvesting rice or tapping rubber tress.

[140] *Nieuwsblad voor Sumatra*, 26 Oct. 1950.
[141] *Locomotief*, 28 Oct. 1950.
[142] *Pedoman*, 2 Nov. 1950.
[143] *Pedoman*, 26 Dec. 1950.

Others were organised into collecting wood and bamboo for sale in the local town. Some financial support came from Perbum branches, particularly those in Stanvac installations elsewhere. Donations and the fighting fund accumulated by Perbum over recent months would also have helped. On 1 November Stanvac increased the pressure on workers by raising the price of goods at the company store that supplied many of their daily needs.[144]

Once again, a major strike was ended through the mediation of the local Labour Office and the direct intervention of the local governor. With the refinery at a standstill and revenue losses to the cash-strapped government increasing, Stanvac was pressured to negotiate with Perbum despite the continuing strike. It eventually made an offer to Perbum which included paying workers for the time taken to wash each day after dirty work in the refinery, two weeks' paid annual holiday and enhanced pensions. It refused, though, to pay the transport costs of workers on annual leave and refused long service leave unless the government introduced legislation to that effect. Its refusal to pay workers for the days on strike threatened to derail the negotiations, but this was finally resolved by Stanvac agreeing to make a "donation" to workers equivalent to 50 per cent of their normal wages between 25 October and 12 November.[145]

The governor of South Sumatra held a meeting with the Perbum central executive at which he urged it to persuade the Sungai Gerong branch to accept the Stanvac offer.[146] Perbum leaders were concerned that workers might not accept the deal because it only partially met demands that had been on the table since January. But like most unions it was realistic about what could be achieved and successfully urged workers to return to work by emphasising that it would continue discussing unresolved issues with Stanvac. Workers were assured that the union would continue to demand the removal of all Stanvac regulations that discriminated on the grounds of race.[147] Work restarted on 13 November. An additional agreement was reached in December whereby Stanvac ended subsidies at its shops and canteens and the provision of rations to workers in return for an increase in base wages and a cost-of-living allowance linked to official increases

[144] *Pedoman*, 13 Nov. 1950.
[145] *Nieuwsblad voor Sumatra*, 10 Nov. 1950.
[146] *Algemeen Indisch Dagblad*, 15 Nov. 1950.
[147] *Pedoman*, 14 Nov. 1950; *Merdeka*, 13 Nov. 1950.

in the cost of living, with an immediate allowance of 33.3 per cent of normal wages.[148]

The third major dispute in Sumatra, and potentially the most serious, was on the east coast plantations. After the success of the Java strike, Sarbupri and Perbupri turned their attention to the Sumatran estates represented by Avros/DPV. They made separate demands. On 29 November the east coast executive of Sarbupri, acting independently of the Jakarta head office, lodged an extensive set of demands on Avros/DPV, arguing that "Since the profits which flow into your pockets are not in proportion to the payments to estate workers, we submit these demands feeling sure you will agree that they are still very low."[149] The demands were biased towards lower-paid day-wage workers and if successful would have seen a 100 per cent increase in their total wage.[150] The union publicly justified its claims by pointing to increases recently gained by dockworkers at Belawan and by workers in the Deli Railway Company.[151] A few days later Perbupri sent Avros/DPV its own set of demands that included a lower minimum wage than demanded by Sarbupri but a broader free distribution of food and goods. Avros/DPV was also given an ultimatum: agree to the demands by 10 December or face a strike.[152] The unions' demands were well timed. The DPV was particularly vulnerable because the tobacco planting season began in December and if the DPV was forced to concede wage rises, as it had in April, then it would be more difficult for Avros to hold out.

Perbupri received no response by its deadline and, despite efforts by the Labour Office to resolve the issue, called a three-day strike from 12 December. The plantations were inconvenienced but were able to keep operating because Sarbupri instructed its members to stay on the job. But it warned Avros/DPV that unless they negotiated an acceptable solution to its demands it too would begin rolling strikes on 4 January.[153] In the first week of January 1951 the minister

[148] *Pedoman*, 19 Dec. 1950.
[149] The translation is that of the British consulate in Medan, which included parts of the letter in British Consul, Medan, Weekly Summary no. 25, 7 Dec. 1950, FO 371/83684, NAB.
[150] *Waspada*, 30 Nov. 1950; *Nieuwsblad voor Sumatra*, 30 Nov. 1950.
[151] *Algemeene Handelsblad*, 1 Dec. 1950.
[152] *Waspada*, 4 Dec. 1950; *Nieuwsblad voor Sumatra*, 4 Dec. 1950.
[153] *Nieuwsblad voor Sumatra*, 18 Dec. 1950.

of labour, Suroso, became personally involved in trying to settle the dispute. In an acknowledgement that Sarbupri headquarters in Jakarta had little influence in Sumatra, he called the Sumatran leaders of both Sarbupri and Perbupri as well as Avros/DPV leaders to Jakarta for discussions where he persuaded Sarbupri to postpone its planned strike until 10 January 1951 in order to give him a chance to negotiate a settlement. Meanwhile, there were reports in the Indonesian press that Sarbupri and Perbupri leaders were holding discussions with the aim of forming a united front against Avros/DPV.[154]

On 10 January Sarbupri began a series of strikes in Sumatra that escalated to a total strike on 26 January. At the end of January an estimated 156,000 workers on 136 estates on the east coast of Sumatra were on strike.[155] The situation deteriorated on 7 February, when Perbupri began a go-slow campaign at 133 Avros and 40 DPV plantations involving another 54,000 workers.[156] Discussions through January, mediated by Suroso, failed to find common ground.[157] Avros/DPV could not agree with the unions' demands, and there were differences between the two unions that could not be resolved. Sarbupri and Perbupri were in fierce competition for the support of Sumatran estate workers, and neither was prepared to make concessions that would enable common claims. The first compromise on in-kind payments proposed by the Ministry of Labour was rejected by Avros/DPV as too high and by Sarbupri as too low, while Perbupri accepted provided its demand on cash wages was met. A second proposal included the wages claim of Perbupri but was rejected by Avros/DPV. The government eventually agreed to a proposal from Avros/DPV to allow it to import additional in-kind goods free of import duties so that they could be provided to workers either free or at cost price. The effect would be to increase the value of wages to workers. Avros/DPV refused, though, to increase the cash component as well. Additional issues were Sarbupri's demand for recognition

[154] The report was made by *Mimbar Umum* and reprinted in *Nieuwsblad voor Sumatra*, 29 Dec. 1950.
[155] *Antara*, 31 Jan. 1951, in *Situasi Perburuhan*, Jan. 1951, p. 14.
[156] *Trompet Masjarakat*, 9 Feb. 1951; *Nieuwsblad voor Sumatra*, 10 Feb. 1951.
[157] The chief negotiator for the Ministry of Labour, Hadiono Kusumo Utoyo, stated that he had been trying for over two weeks to get the two unions to agree on their demands but to no avail. *Antara*, 14 Feb. 1950, in *Situasi Perburuhan*, Feb. 1951, p. 15.

as the major representative of workers, a claim that aroused the ire of Perbupri, and for workers to be paid for the days on strike.[158]

At the beginning of 1951 the plantation strike was just one of many unresolved industrial conflicts, including a lengthy strike in the Ceribon harbour, a lockout of 20,000 workers by textile companies in Bandung, a strike at the British American Tobacco company's factories, deadlocked negotiations at BPM with a strike threatened from the beginning of February, and a strike by the KPM sailors union set down for the beginning of March. To add to the government's concerns, many collective agreements expired at the end of 1950, raising fears that protracted negotiations would lead to another extensive strike wave.

Worker activism and the growing influence of Sobsi deeply worried the anti-Communist Masyumi-led government.[159] Masyumi's own union, the SBII, and other non-Communist unions were struggling to compete against Sobsi unions. In speeches to the Masyumi congress at the end of January Prime Minister Natsir alluded to industrial conflict when he spoke about the difficulties faced by the nation, while the party president, Dr Sukiman Wirdjosandjojo, was more forthright. He was reported as saying that Indonesia had achieved independence but that its people were showing a worrying lack of respect for authority:

> In his speech, Dr Sukiman said that authority is now in our hands but is apparently not welcomed by the people. Our own nation has little respect for this authority. Our responsibility, according to Dr Sukiman, is to reclaim the authority of the highest levels of government. If we do not do this there will be anarchy.[160]

The Dutch-language press and the anti-Communist Indonesian-language press, as well as employers, were creating a picture of an

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[158] *Antara*, 10 and 14 Feb. 1951, in *Situasi Perburuhan*, Feb. 1951, pp. 14–5. The additional in-kind payments to estate workers were estimated to be around 6 million guilders annually, including 2,000 tons of rice and 300 tons of sugar each month plus salt, salted fish, coconut milk, cooking oil, tea, coffee, cigarettes and textiles.

[159] In November 1950 the government banned Sobsi from holding mass meetings and flying the national flag at half-mast to commemorate the death of Amir Sjarifuddin and the Madiun revolt.

[160] Sukiman's speech and that of Natsir were reported in *Pikiran Rakjat*, 29 Jan. 1951.

economy under siege from unruly workers and Communist union agitators. Iskandar Tedjasukmana, minister of labour between April 1952 and June 1953 and again between August 1955 and March 1956, later wrote that at the beginning of 1951 "mounting labour unrest brought a panic in the country".[161]

The government was probably also concerned about the increasing intervention of regional military commanders in industrial disputes. In her biography of Natsir, Audrey Kahin refers to his close relationships with military leaders but at the same time his opposition to relying on the military in civil affairs.[162] The bans imposed by military commanders in West Java and Jakarta, North Sumatra and East Java in July 1950 were followed in January 1951 by similar bans in Central Java. Military commanders were increasingly imposing their will on industrial disputes. In January the police and the military arrested 107 Sarbupri members at plantations in Banyumas, Central Java, and Subang, West Java.[163] More ominously, in the strongest threat yet to civilian authorities, the Central Java military commander not only banned strikes in industries and government departments that had an impact on the military (including the railways, post, telephone and telegraph service, import/export companies, and the harbours) but warned that if necessary he would take them over and place workers under military discipline. Those who disobeyed instructions would then be subject to military courts.[164]

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[161] Iskandar Tedjasukmana, "The Development of Labor Policy and Legislation in the Republic of Indonesia", PhD dissertation, Cornell University, 1961, p. 172.
[162] Audrey R. Kahin, *Islam, Nationalism and Democracy: A Political Biography of Mohammad Natsir* (Singapore: NUS Press, 2012), p. 91.
[163] See the speech of Ahem Erningpradja in the DPR in *Trompet Masjarakat*, 10 Mar. 1951.
[164] His warning, first issued on 2 January and repeated ten days later, was reported in *Merdeka*, 15 Jan. 1951.

4

The State and Labour

On 13 February 1951, Prime Minister Natsir invoked the 1939 state of war and siege ordinance to ban strikes and lockouts in essential industries and establish Indonesia's first formal mechanism for resolving industrial disputes. At the same time, he revoked the bans imposed by military commanders in many parts of the country, thereby reducing the space for military intervention. The dispute resolution system was strongly opposed by both foreign companies and unions. Companies argued that it was biased against them and urged the government to focus instead on bringing militant unions to heel. Unions argued that it unfairly constrained industrial action, allowing companies to stall negotiations and delay meeting reasonable demands. While the dispute resolution system did restrict industrial action, it also facilitated state intervention when negotiations between unions and employers reached a stalemate. It had a central role in reshaping the postcolonial workplace, delivering better results for workers than they would otherwise have achieved.

The Dispute Resolution System

Under the state of war and siege ordinance the government created the Panitya Penjelesaian Pertikaian Perburuhan Pusat (Central Committee for the Settlement of Labour Disputes, P4P), chaired by the minister of labour. Its other members were the ministers for finance, public works, trade and industry, and transport, or their delegates. Ten regional committees (Instansi Penjelesaian Pertikaian Perburuhan [Initial Labour Dispute Settlement], IP3) were also established, consisting of an official from each of the five ministries together with an official from the Ministry of the Interior. The system was intended to

complement, not replace, direct negotiations between employers and unions, with the government hoping that most negotiations would lead to collective agreements without outside intervention. If negotiations became too protracted, either side could call on Labour Office officials to mediate. Only if an agreement was still not achieved would the regional or the Jakarta-based central dispute resolution committees become involved.

The dispute resolution system applied only to the private sector and distinguished between vital and non-vital industries. Vital industries included the harbours, transportation, communications and utilities but, surprisingly, not the plantations. Industrial disputes in these industries that were not resolved after mediation from Labour Office officials were sent to the P4P, which could make either a recommendation or a binding decision. In non-vital industries, unresolved disputes were considered by regional committees (IP3) and only if no solution found referred to the P4P in Jakarta. Decisions by the IP3 or the P4P in non-vital industries were recommendations only. Strikes and lockouts were prohibited, while disputes were under consideration by either the IP3 or the P4P; but if either side rejected a recommendation (but not a binding decision) it was free to engage in industrial action. Confident that most disputes would be settled through Labour Office mediation or the IP3s, the regulations stated that the P4P would decide disputes within 21 days of referral.[1]

The Natsir government was well aware that it would be heavily criticised for invoking a colonial law to ban strikes. Throughout 1950 it had talked of bringing new labour laws to parliament, but replacing colonial labour laws was no simple task, with the government hard pressed to cope with day-to-day issues let alone create complex legislation and negotiate it through a politically divided parliament. It hoped to deflect criticism that it was acting undemocratically, or even unconstitutionally, by emphasising the temporary nature of the bans, in what Ruslan Abdulgani, secretary-general of the Ministry of Communications, described as a "ceasefire" in the battle between employers and unions.[2] It promised to bring new labour laws to parliament in the near future: "The government believes that labour conflicts should be better managed than they are at the moment and plans soon to bring legislation to the DPR to manage them. However,

[1] See *Situasi Perburuhan*, Feb. 1951, pp. 45–7.
[2] *Trompet Masjarakat*, 10 Feb. 1951.

the situation has already reached a level that it must take short-term action in order to protect the nation and the people from danger."[3]

R.P. Suroso was the minister of labour in the Natsir government. He had been a prominent labour activist in the 1920s and 1930s and was more sensitive than most in the government to the use of the state of war and siege ordinance to ban strikes.[4] Indeed, his successor, Tedjasukmana, later recollected that Suroso told friends at the time that he had not been consulted and did not like the decision.[5] In January Suroso had reassured unions that they were an important part of society, stating that he hoped that the government would introduce new labour laws by March that would cover their key concerns, including formal recognition, collective agreements, a minimum wage, universal pension rights and mass dismissals.[6] Just a few days before the implementation of the strike ban he issued guidelines for financial support to labour unions from the Ministry of Labour, stating that "In Indonesia, which has recently experienced colonialism and the growth of conflicts, it is necessary to support the organisations, both morally and materially."[7]

In 1950 union leaders had contested the legality and the justice of military intervention in industrial disputes. The right to strike, they argued, was not just a moral right in a free and democratic country but was guaranteed in the constitution. Almost all unions, not just those affiliated to Sobsi, were opposed to the government's resort to the state of war and siege ordinance. Strikes or the threat of strikes had been a vital weapon over the past year in forcing employers to negotiate improved wages and conditions. The minister of labour, the prime minister and members of parliament were inundated with union protests, resolutions and petitions. The seamen's union, the SPSI, for example, which was no friend of Sobsi, agreed that the strike ban protected the interests of employers at the expense of workers.[8] The large teachers union, the PGRI, along with other unions for public sector workers, also argued that the government's

[3] For the government's explanation, see *Situasi Perburuhan*, Feb. 1951, pp. 47–9.
[4] See Ingleson, *Workers, Unions and Politics*.
[5] Tedjasukmana, "Development of Labor Policy and Legislation", p. 73.
[6] *Sin Po*, 13 Jan. 1951, in *Situasi Perburuhan*, Jan. 1951, p. 47.
[7] "Peraturan Menteri Perburuhan No 11/1951", *Situasi Perburuhan*, Mar. 1951, p. 8; *Kedaulatan Rakjat*, 10 Feb. 1951.
[8] *Antara*, 19 Feb. 1951, in *Situasi Perburuhan*, Feb. 1951, p. 60.

action was an attack on basic union rights. Even the SBII expressed reservations, stating that while it "understood" the need for a temporary ban, given Indonesia's difficult economic circumstances, it agreed with other unions that workers had the fundamental right to strike.[9]

Unions accused employers of taking advantage of the strike ban to adopt a more aggressive attitude towards them, safe in the knowledge that they could not call a strike.[10] Officials acknowledged that there was some truth in this claim.[11] Over the next few months there was an increase in the number of disputes caused by employers refusing to deal with unions or sacking workers who were members of branch executives. For example, in May 1951 a Jakarta metal fabrication company sacked the chairman and secretary of the union branch shortly after they had submitted a list of demands.[12] In June, 2,000 workers at the Kolff printing company in Semarang walked off the job after the company sacked two workers who were members of a union delegation negotiating wages and conditions. In the same month, the British American Tobacco company sacked the chairman and secretary of its union.[13] A police report in August on a dispute at the gas and electricity company in Palembang, South Sumatra, criticised the company for adopting an arrogant attitude to workers because as a vital industry it believed that it was immune from a strike.[14]

While employers used the strike ban to slow down negotiations, unions became creative in adjusting industrial action to stay within the boundaries of the ban. The ordinance banned strikes but made no mention of other forms of industrial protest. There was a noticeable shift to demonstrations in front of company offices, go-slow

[9] See "Statement issued by Serikat Buruh Islam Indonesia", enclosed in Kermode to Bevan, 13 Mar. 1951, in LAB 13/589, NAB.

[10] See *Bendera Buruh*, 1 May 1951, pp. 6–7, for Sobsi's public position on the strike ban. See also *Kedaulatan Rakjat*, 11 June and 16 Aug. 1951.

[11] In April Harjono, head of the East Java Labour Office, told a reporter that after the ban on strikes employers in East Java took a much harder attitude towards workers' demands because they felt protected from stoppages. *Suara Rakjat*, 10 Apr. 1951, in *Situasi Perburuhan*, Apr. 1951, p. 28.

[12] *Antara*, 22 May 1951, in *Situasi Perburuhan*, May 1951, p. 24.

[13] *Suara Rakjat*, 10 Apr. 1951, in *Situasi Perburuhan*, Apr. 1951, p. 28.

[14] Kepala Bagian Dinas Security, Djawatan Kepolisian Indonesia (Pusat) kepada Perdana Menteri, 5 Dec. 1951, Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3045, ANRI.

actions (that affected productivity), sit-down protests (for a few hours or intermittently over a few days), overtime bans and even threats of mass resignations from hard-to-replace skilled workers.[15]

Sobsi opposed not just the ban on strikes but also compulsory arbitration. It rejected any restraints on what it called a "free fight" between capital and labour. It argued that the dispute resolution system usurped the role of labour unions and Sobsi in conflicts between workers and employers, reducing them to mere "post offices". Workers, it argued, would be forced to accept decisions that were against their interest. It was in no doubt about the government's real intention, stating that "The disputes committee is an attempt to alienate the leaders of labour unions and Sobsi from the mass of workers."[16] A PKI public meeting in Palembang was told that the strike ban was "like extracting workers' teeth one by one".[17]

The government had anticipated criticism but was surprised at its extent and intensity. At the end of May it responded to criticism from members of parliament by reminding them that poor wages and conditions were the consequence of colonialism but that while it was committed to improving workers' living standards it was also aware of the fragility of the economy. It needed time, it said, to create the structures necessary to ensure that workers prospered within a strong economy and reiterated that it would bring legislation to parliament on a minimum wage, collective agreements, dispute resolution and the legal rights of unions. It would also propose the creation of an arbitration system. Once this legislation was passed, it argued, the bans on strikes and lockouts would no longer be necessary.[18]

Within a month Sobsi devised a strategy to combat the strike ban. In a circular to unions, it outlined procedures to be followed in future disputes. After reminding them that in the past some of their demands had been excessive, it recommended reducing future claims so that the P4P would find them difficult to reject. If employers did not agree to reasonable demands then unions should waste no time in sending them to the P4P, simultaneously launching campaigns to convince union members and the public that they were fair and reasonable. If the P4P did not make a decision within the promised

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[15] See the discussion in *Situasi Perburuhan*, Mar. 1951, p. 5.
[16] Ibid.
[17] *Trompet Masjarakat*, 7 Mar. 1951.
[18] The statement to the DPR, dated 28 May 1951, is reproduced in *Situasi Perburuhan*, May 1951, pp. 3–4.

21 days unions should organise protest meetings to demand quicker decisions, the withdrawal of the strike ban and the dissolution of the dispute resolution system. They should also organise widespread protests directed at the government, parliament and the central committee itself.[19]

The August Raids

The Natsir cabinet fell in March 1951, and, after much jockeying, a new cabinet was formed led by a fellow prominent Masyumi politician, Dr Sukiman Wirdjosandjojo.[20] Sukiman had been active in the labour movement in the 1930s, as chairman of the pawnshop workers union and editor of *Oetoesan Indonesia*, the self-styled "workers' press". He was a social democrat in the European tradition and was personally close to Vice-president Hatta and the PSI's Sjahrir.[21] Like Hatta and Sjahrir he had been a strong anti-Communist in the 1930s, a position that hardened after the Madiun Affair of 1948 and the beginning of the Cold War.

The Sukiman government continued to be worried by the growth of labour unions and their ability to mobilise workers into industrial action. The strike ban brought to an end major strikes in the Sumatran plantations and the Cirebon harbour and forced Bandung textile companies to abandon their lockouts, but the first major test of the dispute resolution system was in the weeks leading up to Lebaran. In the two months before Idul Fitri, on 6 July, Labour Offices and regional dispute resolution committees were overwhelmed by disputes, with workers and unions ignoring the ban on strikes or using alternative tactics that were just as effective, such as go-slow campaigns, sit-down stoppages and overtime bans. Many disputes proved difficult to resolve and had to be referred to the P4P in Jakarta. In May,

[19] The directive came into the hands of the Netherlands high commission and was forwarded to the Indonesian government. I have not seen the original Indonesian-language version, only the Dutch translation, but there is no reason to doubt its authenticity. See Sobsi, "Richtlijnen inzake tegenover geschillen gedurende het stakingverbod", 5 Mar. 1951, enclosed in Consul General Semarang to High Commissioner, 24 Apr. 1951, in Archief Hoge Commissariaat Indonesie, Inv. no. 319, NADH.

[20] For a discussion of the formation of the Sukiman cabinet and its subsequent rule, see Feith, *Decline of Constitutional Democracy*, pp. 177–224.

[21] I have discussed Sukiman's role in the colonial labour movement in *Workers, Unions and Politics*.

June and July ministers and senior Labour Office officials in Jakarta devoted a large amount of time to hundreds of individual cases.

The government did not announce the allowance it would pay its own workers until 27 June, just one week before Idul Fitri. Whereas in 1950 it had made a Lebaran gift, in the light of its deteriorating financial situation this year it would make an advance of only two weeks' wages, with a minimum payment of Rp.50 and a maximum of Rp.100.[22] The absence of a government baseline until very close to Idul Fitri made it more difficult for Labour Offices and regional dispute resolution committees to arbitrate disputes between companies and unions. Their task was further complicated by the Ministry of Labour rejecting a common policy for private companies, stating instead that each case should be considered on its merits. This encouraged unions to apply industrial pressure in order to get the best possible result, with Sobsi branches establishing action committees that included both Sobsi and non-Sobsi unions to coordinate industrial campaigns.

When failed negotiations resulted in disputes being referred to Jakarta, the P4P adopted the Ministry of Labour policy with the result that there was no consistency in its decisions. Some workers were awarded more and some less than government employees, and only rarely were day-wage workers included, much to the annoyance of unions that wanted a common payment for all workers, irrespective of their employment status. However, unions obtained an important victory when the P4P accepted their argument that Lebaran money was part of the social wage and rejected the argument of employers that they alone had the right to decide whether or not to make the payment and under what conditions.

Extensive stoppages over Lebaran allowances and ongoing labour conflicts on the plantations and in the harbours increased the Sukiman government's concern about the growing influence of Sobsi. Sections of the Dutch-language and the Indonesian press were increasingly vociferous about the militancy of Communist-led unions. The conservative Jakarta daily *Keng Po* accused Sobsi of using intimidation to gain control of all workers and unions.[23] The Masyumi-linked newspaper *Abadi* went further, publishing an article under the heading "Sombre Days Ahead" that argued "The government is at its wits' end

[22] *Tindjauan Masa'alah Perburuhan*, Apr.–May–June 1951, pp. 80–1.
[23] *Keng Po*, 21 June 1951.

and the people are irrational. Will we allow the situation to continue so that we are forced to add … and the country is past recovery?"[24]

Stronger government action was foreshadowed in July, when the chief public prosecutor, Suprapto, ordered the arrest of two PKI members of parliament, both of whom were members of the central executive of the dockworkers and sailors union, in connection with the central executive's anti-overtime campaign. He quickly followed with the prosecution of a prominent Sobsi member of parliament, Werdjojo, over a speech he had made to striking Garuda airline workers.[25] At the beginning of August pressure on the government to intervene against Sobsi unions further increased with the resignation of Sumitro Djojohadikusuma from all government functions. Sumitro, a prominent economist and leading member of the PSI, had been minister of trade and industry in the Natsir cabinet. In a series of press interviews, he argued that only strong government intervention would halt the left-wing infiltration of unions and their incessant agitation. On 14 August he accused Communists of trying to destroy the productive capacity of Indonesia and foreshadowed a firm hand from the government.[26]

On the night of 16 August, the eve of Independence Day, extensive police raids were begun that by the end of the month saw the arrest of over 15,000 people accused of being left-wing political and union activists or their sympathisers. The catalyst was an attack on the Tanjung Priok harbour police post on the night of 5 August by an armed gang of about 50 men. A number of police were killed or wounded in the attack before the gang was repelled. The Jakarta and Surabaya harbours had been wracked by thefts from gangs over the past 18 months, and some had been armed, but never before had a police post been attacked. The government's suspicion of Communist involvement was heightened because the gang was reported to have carried hammer-and-sickle symbols. It was increased when groups linked to the PKI announced that they would boycott the official celebrations on 17 August.[27]

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[24] *Abadi*, 12 July 1951. An English translation is in OBI, 13 July 1951, Archief Commissariaat te Bandung, Inv. no. 389, NADH.

[25] See Australian Ambassador despatch 15/51, 5 July 1951, in AA 11602, NAA.

[26] See *Nieuwsgier*, 2 and 14 Aug. 1951.

[27] This paragraph is based on the discussion in Feith, *Decline of Constitutional Democracy*, pp. 187–92. See also reports in *Kedaulatan Rakjat*, 9 and 17 Aug. 1951; and *Merdeka*, 7 and 8 Aug. 1951.

In defending the police raids and mass arrests in parliament, Sukiman argued that they were necessary in order to foil an extreme left-wing movement plotting to overthrow the state. He linked the plot to the Madiun Affair of 1948 and accused some political parties and labour unions of being aware of a plan to act on Independence Day. Despite the seriousness of his accusations, he did not produce any evidence. Herbert Feith concluded that the government's actions were an overreaction by a deeply anti-Communist prime minister and chief public prosecutor to alarmist police intelligence reports.[28] Most of those arrested were released within a few days, though a few were kept in preventive detention for months. There were reports that some of those arrested were subsequently sacked by their employers even though they were not prosecuted.[29]

The mass arrests were a calculated strike by the Sukiman government against the PKI, Sobsi and Sobsi-affiliated unions, as well as against journalists and others who supported them. In January Sukiman had publicly stated that the Indonesian people needed to respect the authority of the state. In an interview with the *New York Times* two months after the mass arrests he argued that "The communists in Indonesia are not numerous but they are tough and well organised and still a danger", that the arrests would purify the labour movement of radical elements, and that they had already succeeded in turning workers away from Communist-controlled unions.[30]

Local officials took the opportunity to strike at unions that, in their minds, were threatening the social order. Offices of Sobsi unions were raided, archives seized and hundreds of local leaders arrested. One of the hardest hit was the plantation workers union, Sarbupri, with 205 of its central and local leaders arrested.[31] Other unions which had large numbers of leaders arrested included the sugar workers union (SBG), the dockworkers and sailors union (SBPP) and

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[28] Sukiman's statement is printed in *Ichtisar Parlemen*, no. 365, 8 Nov. 1951, pp. 1536–68. Lack of access to police (or military) intelligence reports makes this impossible to verify. The PKI newspaper *Harian Rakjat* reported that many of the questions asked of those detained related to the Madiun revolt of 1948, including their opinion of it and where they were at the time. *Harian Rakjat*, 26 Sept. 1951.

[29] *Trompet Masjarakat*, 1 Oct. 1951.

[30] Tillman Durdin, "Indonesian Leader Sees Red Set Back", *New York Times*, 18 Oct. 1951.

[31] The complete list of Sarbupri people arrested is in *Ichtisar Parlemen*, no. 357, 30 Oct. 1951, pp. 1480–3.

the railway workers union (SBKA). Police raids and mass arrests were a reminder to Sobsi unions of the power of the postcolonial state and of the growing concern among sections of the political and bureaucratic elite about the mobilisation of workers.[32]

The mass arrests in August and September 1951 were welcomed by employers, the Dutch-language press and foreign observers, as well as by anti-Communist political parties and Indonesian newspapers. For some time, employers and anti-Communist Indonesian newspapers had accused the Ministry of Labour of being infiltrated by Communist sympathisers who were promoting the interests of Sobsi. They pointed out that the union for its own employees was affiliated to Sobsi as were unions in other key institutions, such as jails and railways, asserting that this was a deliberate Communist strategy to sabotage policies not in accordance with those of Sobsi and the PKI.

The prominent anti-Communist Jakarta newspaper, *Keng Po*, argued that the time had come for Indonesia to question whether it could continue to have a liberal attitude towards Communists:

> In a democratic state is the government able to accept the risk of having Communists in influential positions in areas such as the army, police, bureaucracy, traffic control and labour?
>
> It is clear that in practice all non-Communist states are forced step by step to clean out Communist elements from organisations and influential positions even though the Communist Party is not officially prohibited.[33]

The Masyumi newspaper *Abadi* agreed with *Keng Po* that the Ministry of Labour had been infiltrated by leftists and that, as a consequence, decisions of dispute resolution committees favoured unions. It also

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[32] The Netherlands consul in Central Java reported that the governor of Central Java had asked the plantation employers associations to ask plantation mangers to report on activist activities and to keep him informed of how reports of arrests of union leaders were being received by workers. The consul added, "I draw your attention to the fact that this issue is being handled very carefully by the relevant authorities. The ALS representative has urged that there be no publicity. One is aware that the government clearly, and rightly, fears being accused of cooperating with the Dutch against the 'people'." Kort Verslag over de maand Augustus 1951, in Archief Commissariaat te Semarang, Inv. no. 144, NADH.

[33] *Keng Po*, 22 Oct. 1951. Extract enclosed in Dinas Security, Djawatan Kepolisian Indonesia (Pusat) to Perdana Menteri, 22 Nov. 1951, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3053, ANRI.

accused Sobsi of gaining influence in vital industries in order that in the future it could call a general strike.[34] In an effort to deflect this criticism, Minister of Labour Tedjasukmana wrote to the heads of Labour Offices in October 1951 instructing them that in the interests of being seen to be neutral in labour disputes, no official could work for any labour organisation other than their own.[35] This did little to assuage critics because the union for Ministry of Labour officials remained affiliated to Sobsi.

Emergency Law of 1951

In July 1951 the government stated that it intended to introduce new labour laws to parliament to replace the state of war and siege ordinance.[36] Nothing came of this, presumably because the government was not confident that it had the numbers in the parliament. Having decisively struck against the PKI and Sobsi unions, the Sukiman government probably felt that it needed to yield a little to critics of the use of a colonial law to ban strikes. In mid-September Tedjasukmana announced that the government would withdraw the ordinance and instead use its emergency powers to impose new labour regulations. He hoped "that because there is no longer a ban on strikes there will be less cause for agitation that has sometimes been used by a-democratic and a-national elements".[37]

Emergency Law 16 of 1951 made four significant changes to the February regulations. First, strikes and lockouts were no longer banned but required three weeks' notice to the Labour Office and confirmation that genuine efforts had been made to resolve a dispute. Second, the distinction between vital and non-vital industries was removed, thereby enabling the P4P to make binding decisions on disputes in all industries. Third, in order to strengthen regional decision making, the IP3 was renamed the Panitya Penjelesaian Pertikaian Perburuhan Daerah (Regional Committee for the Settlement of Labour Disputes, P4D) and given increased powers. The P4D could

[34] *Abadi*, 3 Aug. 1951, quoted in Circular to Members, 31 Aug. 1951, in Archief Ondernemersraad voor Indonesie, te 's-Gravenhage, Inv. no. 34, NADH.
[35] "Surat Endaran", 25 Oct. 1951, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3051, ANRI.
[36] See the interview with Tedjasukmana in *Merdek*a, 13 July 1951.
[37] For the speech, see *Tindjauan Masa'alah Perburuhan*, Aug.–Sept. 1951, pp. 7–8.

now investigate and make recommendations, but not binding decisions, on local disputes in all industries. Binding decisions remained restricted to the P4P, probably because the government was concerned that there was a lack of expertise and experience among regional officials. The fourth change allowed for P4P binding decisions to be appealed to the minister of labour, who could refer them back to the P4P for review.

The revised system was still based on the assumption that most issues would be resolved by negotiations between unions and employers or with the mediation of the Labour Office. Tedjasukmana emphasised that the government would become involved only if negotiations reached a stalemate: "In this event the government will give priority to providing mediation in order to find a way forward for negotiations to provide a resolution. Only after this path has been exhausted, and no resolution achieved, will the government make a determination to bring the dispute to an end."[38]

The government assumed that unions and employers would abide by recommendations of the P4Ds and that the Jakarta-based P4P would only have to consider a small number of cases of national importance. It quickly became apparent that neither unions nor employers shared these assumptions. Both rejected P4D decisions they did not like, preferring disputes to be referred to the P4P in Jakarta, where political pressure could be applied. The additional provision for a final appeal to the minister on a P4P binding decision opened another avenue for political pressure.

Unions were no more pleased with the revised regulations than they had been with the promulgation of the state of war and siege in February. Over the next few years they inundated ministers, members of parliament and the P4P with a constant stream of protest resolutions. They argued that the regulations increased the power of companies, especially foreign companies, when negotiating with unions. In September 1952, for example, Sobsi stated that decisions of the dispute resolution system were preventing workers from asserting their rights, that there were "indications that the P4P is greatly influenced by foreign monopoly capitalism", and that in conjunction with the repressive colonial laws still in force "Indonesia is now a new kind of colonial state".[39] Two months earlier Sobsi

[38] Ibid.
[39] *Harian Rakjat*, 30 Sept. 1952.

leader and parliamentary representative Tjugito asserted that of the around 250 decisions made by the central committee, not one was in favour of workers.[40] This was demonstrably untrue; nevertheless, it was constantly repeated by Sobsi.

Even Masyumi's SBII continued to be critical of the system. In September 1953 its central executive, responding to voices calling for the P4P to be dismantled, argued that it should be replaced with something better. It stated that, like other unions, it also had had bitter experiences with the P4P because many decisions had been made without hearing union arguments and others made very late or only after union pressure. Nevertheless, it believed that simply dismantling the system would result in industrial chaos. It suggested that it be improved either by adding experts to the existing bodies to relieve the pressures on them or by creating a new independent arbitration body.[41]

The Sukiman government acknowledged that resorting to emergency powers was a temporary measure pending comprehensive labour legislation. As early as the end of 1952 it discussed transforming the dispute resolution system into an independent arbitration court staffed by lawyers with training in industrial relations. In March 1953 Minister of Labour Tedjasukmana went so far as to announce that the P4P system would be replaced by an arbitration system like those operating in other countries.[42] In April and May the Wilopo government approved new labour laws; but the government fell on 3 June, before they could be considered by parliament.[43]

The first Ali Sastroamidjojo government did approve a detailed labour arbitration law in 1953, despite opposition from unions and employers. The proposed legislation increased the powers of the P4D —with local mediators having a major role in resolving disputes— removed the provision for appeals to the P4P and eased restrictions on strikes. Only unions registered with the Ministry of Labour would be permitted to enter into legally enforceable collective agreements and in order to be registered had to restrict themselves to socio-economic activities. Sobsi rejected the proposed legislation, describing it as

[40] *Trompet Masjarakat*, 18 July 1952.
[41] "SBII tidak setudju P4Pusat dibubarkan", *Abadi*, 3 Sept. 1953.
[42] See *Keng Po*, 24 Mar. 1953.
[43] *Antara*, 20 Apr. 1953; Tedjasukmana, "Development of Labor Policy and Legislation", pp. 103–4.

anti-democratic and a further move towards compulsory arbitration that would constrain the class struggle: "The arbitration proposed here is not voluntary arbitration but 'compulsory arbitration', that is, arbitration that has the power to force parties in dispute to accept its decision. This kind of arbitration is common in capitalist countries and is always opposed by workers because history shows that it always satisfies employers."[44] The role of the government, it argued, was to improve the conditions of workers, not to restrict their right to strike.

With strong opposition from unions and only lukewarm support from employers, the legislation was rejected by parliament, with Sobsi representative and SBKA Chairman Djoko Sudjono describing it as more restrictive than Dutch colonial rule.[45] However, parliament did enact Collective Bargaining Law No. 27 of 1954, which provided a legal basis for negotiations between unions and employers and strengthened the legal position of registered unions. There were three key clauses. First, registered unions were able to enter into legally enforceable collective agreements for a period of up to one year and were able to extend them for a further one year at a time. Second, having entered into a collective agreement with one union, employers were prohibited from entering into collective agreements with other unions on different terms. Third, both unions and employers were able to seek costs for losses due to breaches of collective agreements.[46]

Despite the government stating in September 1951 that it had invoked the emergency law as a temporary measure, and despite new industrial laws being on the agendas of every subsequent cabinet, it was not until November 1956 that legislation was again presented to parliament by the second Ali Sastroamidjojo government. It was passed in May 1957 and implemented on 28 June 1958. The government acknowledged that while the dispute resolution system had reduced the number of strikes and successfully resolved thousands of disputes, the system had not been fully accepted by either unions or employers. The government believed that the dispute resolution system had four major defects. First, too many disputes were referred to the P4P because employers and unions made little effort to resolve

[44] "Pendapat Central Biro Sobsi tentang Kopsep kentjana U.U. pengganti U.U. Darurat No 16", 18 Dec. 1953, in Arsip Sobsi Inv. no. 361, ANRI.
[45] *Harian Rakjat*, 10 Nov. 1953.
[46] See discussion in *Trompet Masjarakat*, 29 Apr. and 3 May 1954.

them. Second, the dispute resolution committees undertook investigations where the issues at stake were unclear. Third, the committees were constantly under time pressure because they had to deal with so many issues. Fourth, because it controlled the system the government was constantly the target of criticism.[47]

The 1956 legislation retained most elements of the 1951 regulations and increased penalties for noncompliance. The significant changes were designed to get most disputes resolved locally and increase employer and union acceptance of the system by giving them direct input into decisions. Regional and central committees were enlarged to include five representatives nominated by employers and five by unions, in addition to five government appointees. Direct referral of disputes to the P4P in Jakarta was restricted to national issues, with the P4D now having the power to make binding decisions. Employers and unions could appeal P4D decisions to the P4P, but all P4P decisions were binding. Two other changes were designed to reduce the opportunities for employers or unions to exert political pressure. The minister of labour no longer had the power to order an investigation into a dispute—only the P4D or the P4P could do this—and while he could veto P4P decisions, he had to do so within 14 days and publish his reasons.[48]

The restructuring of the dispute resolution system was overtaken by political developments. On 14 March 1957 the Ali cabinet resigned, and on the same day President Sukarno again invoked the state of war and siege ordinance in response to regional rebellions. Under martial law, strikes were once again banned in vital industries and the military had the legal basis for greater involvement in industrial relations. Military personnel were appointed to regional dispute resolution committees, and in many cases their chairs were on the staff of the local military commander. In reporting a sharp reduction in strikes in the first quarter of 1957, the minister of labour talked of the "normalisation" of labour relations, with strikes now requiring the explicit permission of the military.[49] In August the minister of

[47] "Pendjelesan Undang2 Tentang Pengelesaian Perselisihan Perburuhan", *Tindjauan Masa'alah Perburuhan*, May 1957, pp. 25–9.
[48] "Undang-Undang No. 22/1957", *Tindjauan Masa'alah Perburuhan*, May 1957, pp. 20–5.
[49] *Laporan Kementerian Perburuhan*, Apr.–May–June 1957, pp. 5–8.

defence and the army chief of staff, Major General Nasution, further entrenched the civil powers of the military by requiring all industrial disputes to be referred to military commanders for resolution. This was necessary, they argued, "in the interests of public peace and order, especially for restraining interference in the smooth running of the economy during this war state of emergency".[50] Sobsi and many unions protested, but there was little they could do. What did martial law mean for the democratic life of unions? asked a delegation from the Jakarta branch of Sobsi of the head of the Jakarta military.[51] There is no record of an answer.

Implementation

The major flaw in the new industrial relations system was that the P4P was not an independent body. This was a flaw that was exploited by employers and unions alike. The public position of the government was that the P4P had the status of an extraordinary court responsible to neither cabinet nor parliament. In reality it was a subcommittee of cabinet, frequently reporting back to it and on occasion receiving "guidelines". With its chairman the minister of labour and its members all senior ministers, it was open to political pressure. Appeals against decisions were, in effect, appeals to cabinet. In the end the P4P was an instrument of the government, open to direct political pressure at a time when there was considerable political fluidity and cabinets constantly confronted the prospect of losing their mandate in a fractious parliament.

The decision to establish a subcommittee of cabinet to deal with industrial disputes rather than creating an independent arbitration court reflected political reality. The creation of an arbitration court required legislation. Given a highly divided parliament and opposition to the concept from both employers and unions, there was no guarantee that legislation would be approved. The government was unwilling to risk defeat and possibly its mandate to govern. There was also a serious shortage of people with the industrial and legal expertise needed to staff an independent arbitration court. In an effort to overcome this, over the next five years the Ministry of Labour

[50] *Harian Rakjat*, 26 Aug. 1957.
[51] *Harian Rakjat*, 30 Mar. 1957.

sent 173 officers overseas for training, primarily to the United States and Britain.[52] The dispute resolution system was probably as much as could be achieved given the political and personnel constraints.

In April 1953 the labour committee of parliament formally asked the government, "Is the P4P responsible to cabinet for each decision?" If it was, then—as cabinet was responsible to parliament—the labour committee believed that parliament itself might have a role in individual decisions. After taking legal advice, and considering a decision of the Supreme Court in June 1952, the government informed parliament that the P4P had the status of an extraordinary court, it was subject to oversight by neither cabinet nor parliament, and its decisions could only be challenged in the courts.[53] Between 1952 and the end of May 1956 there were 73 failed appeals to the Jakarta high court about P4P decisions, almost all from companies.[54]

Political pressure on the P4P was compounded because binding decisions could be appealed to the minister of labour, in "extraordinary circumstances", with the minister able to instruct the P4P to reconsider. In such cases the P4P invariably adjusted its "binding" decisions in favour of the union. Sobsi admitted to its second national congress in 1954 that appeals to the minister of labour enabled it "to change P4P decisions that were a significant loss for workers into a victory in the struggle to increase wages".[55]

Industrial issues were frequently on cabinet agendas, and cabinet was closely involved in attempts to resolve disputes in key areas of the economy, such as the plantations, the harbours, the oil industry and transportation. Cabinet discussions and guidelines were important influences on decisions made by the P4P. On 25 April 1952, in the middle of a strike by municipal workers in Central Java, cabinet established a subcommittee chaired by Suroso, then the minister for personnel affairs, "in order to find a way to overcome the difficulties that might emerge from strikes".[56] The subcommittee acknowledged

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[52] *Tindjauan Masa'alah Perburuhan*, Sept. 1956, p. 7.

[53] See "Nota Tentang Status dan Pertanggung Djawab Panitya Penjelesaian Perselisihan Perburuhan Pusat", enclosed in Minister of Labour Tedjasukmana to Prime Minister, 20 Apr. 1953, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3078, ANRI.

[54] *Tindjauan Masa'alah Perburuhan*, Sept. 1956, p. 9.

[55] "Laporan Umum Dewan Nasional kepada Kongres Nasional ke-2 Sobsi", *Suara Buruh PTT*, Aug./Sept. 1954, p. 5.

[56] See chapter 5 for a discussion of the municipal workers' strike in April 1952.

that restrictions on strikes were in conflict with Article 21 of the provisional constitution but argued that restrictions were necessary in order to reduce the number and limit the consequences of strikes that had a serious impact on the nation. It was particularly concerned about the increasing use of sit-down stoppages, which were not covered by the 1951 regulations, recommending that the chief public prosecutor should consider changing the wording of the regulations in order to widen their coverage.

The subcommittee confirmed that employers and unions were expected to resolve disputes themselves "because it is democratic and they have a better understanding of the requirements from the viewpoint of the company and the worker", arguing that the P4P should make binding decisions only when a dispute was deadlocked and heading to a strike. However, it recommended that the government provide tighter guidelines for the P4P.[57]

This was the context for a letter from Prime Minister Wilopo to all ministers on 13 June 1952. After expressing concern about the threat of further strikes he set out the government's strategy to combat them. He acknowledged the contradiction between Article 21 of the provisional constitution and the regulations on strikes but argued that for the good of the economy and ordinary people and in order to maintain peace, it was necessary to restrict strikes, "particularly among government workers". He went on to argue that the existing laws allowed police to take preventive measures in the event of strikes and pointed to a raft of colonial laws that could, and should, be used to limit strike action.[58] A month later he issued guidelines to the P4P along the lines recommended by the cabinet subcommittee. In making determinations on wages, bonuses, Lebaran payments and social wages the P4P should in future consider three issues: the strength of the particular industry, wages paid by other companies in the same industry, and "a general balance between wages and national capacity".[59]

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[57] "Laporan pendek dari Panitya ad hoc jang di bentuk oleh Dewan Menteri pada rapatnja pada tangal 25 April 1952 untuk mendapatkan djalan untuk mengatasi kesulitan2 jang mungkin timbul dari terdjadinja pemogokan2", 10 May 1952, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3082, ANRI.

[58] Prime Minister (Wilopo) to all Ministers, 13 June 1952, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3082, ANRI.

[59] Prime Minister (Wilopo) to P4P, 17 July 1952, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3060, ANRI.

Circulars issued by ministers of labour were also a major influence on employers' responses to union pressure. Employers were critical of the government using guidelines and recommendations as a substitute for legislation but were well aware that if they did not abide by them unions would initiate disputes. With the minister of labour the chair of the P4P, they could be certain that recommendations in circulars and cabinet guidelines would be the basis for binding decisions.

One clear example was the government change of policy in 1952 on the payment of Lebaran allowances by private companies. Determined to avoid a repeat of the labour unrest of the previous year, the government recommended that the P4P set the Lebaran payment for 1952 at one month's wages, with a minimum of Rp.50 and a maximum of Rp.300. The minister of labour informed companies that they were expected to adopt this as a minimum payment. Employers objected that they had not been consulted, but they admitted that while companies were legally able to do whatever they wanted, in practice a decision of the government had the same effect as legislation.[60] With only a few exceptions, if a dispute over a Lebaran payment in the private sector was referred to the P4P in 1952 a binding decision was made in line with the payment to public sector employees.[61] Minister of Labour Abidin acknowledged in 1954 that circulars did not have the force of law, but he reiterated the government's position that they were "a guideline for the P4P in making decisions".[62] While disputes continued over the amount that a company should pay above the minimum set by the government, the imposition of a benchmark by ministerial regulation and consistent P4P decisions significantly reduced industrial unrest over Lebaran allowances.

Pressure from workers and unions gradually succeeded in making Lebaran allowances part of the normative wage structure. In 1952 the P4P acknowledged that workers regarded Lebaran allowances as part of their normal wages. It therefore decided to replace the term *hadiah Lebaran* (Lebaran gift) with *pembayaran istemewa* (special payment),

[60] Circular, 7 Aug. 1952, in Archief Ondernemersraad voor Indonesie, te 's-Gravenhage, Inv. no. 13, NADH.
[61] Ibid.
[62] *Tindjauan Masa'alah Perburuhan*, May 1957, p. 12.

to reflect the fact that "a special payment has no relationship to voluntary action or generosity by one party".[63] Unions achieved another major breakthrough in 1954 when the government bowed to pressure and announced that it would extend Lebaran allowances to all of its workers, including day-wage, casual and contract labourers.[64] This set a new benchmark for union negotiations with private companies. Some companies quickly conceded, while others resisted. Gradually, as industrial action led to P4P intervention, an increasing number of companies were compelled to follow the government's lead and extend the payment of Lebaran allowances to all workers.

None of the parties—unions, employers or officials—were experienced in resolving industrial issues. There were no established rules or precedents, and there were contested regulations inherited from colonial times. European managers and Indonesian unionists had to learn to talk to each other, to negotiate and to compromise. Negotiating with Indonesian union leaders on a basis of equality was a new, and often uncomfortable, experience for European managers. Given the colonial experience and the scars of four years of fighting, there was a lack of trust between the two sides. Nevertheless, there was a steady increase in the number of collective agreements registered with the Ministry of Labour, the great majority of which were achieved without P4P intervention. In the second half of 1956 there were 259 registered agreements, of which 187 were agreed without P4P intervention, and of the 281 agreements in the first half of 1957 only 48 were imposed by the P4P.[65]

While Sobsi complained that the dispute resolution system curbed unions' ability for a "free fight", in practice it empowered the government to intervene quickly and to settle industrial disputes in a systematic manner. Unions were well aware that Labour Office officials and the P4Ds would invariably seek a compromise between unions and employers. They also knew that if a dispute was escalated to the P4P they had an excellent chance of getting more of their demands met. The Ministry of Labour argued that between February

[63] "Gratifikasi dan pembagian laba", *Tindjauan Masa'alah Perburuhan*, May–June 1952, p. 1.
[64] See Kandar, "Pemogokan Pekerja Lepas di Provinsi Jawa Barat Tahun 1952", *Sosiohumanika* 10, 1 (May 2017): 31.
[65] *Tindjauan Masa'alah Perburuhan*, Sept. 1957, p. 29.

1951 and May 1955, 22 per cent of P4P decisions accepted union claims in full and another 58 per cent accepted at least half.[66]

However, the union and employer strategy of appealing P4D decisions undermined a system that was designed to be decentralised. Unions regularly appealed decisions they did not like because this enabled them to exert political pressure on ministers both directly and through their representatives in the parliament. Employers appealed decisions they did not like because the length of time it took the P4P to make decisions prevented unions from taking industrial action in the meantime. In 1955 the KPM shipping line provided another explanation for holding out against increasing wages until forced to do so by the P4P. It acknowledged that while this usually did not save money, because increases were backdated, P4P binding decisions enabled it to argue for an increase in government-regulated inter-island tariffs.[67] This tactic was stymied in 1957, when the P4P rejected shipping companies' argument that in deciding wage disputes it should take into account whether the industry had permission to increase tariffs.[68]

With an increasing number of industrial disputes referred to Jakarta, the P4P became overloaded. Between February 1951 and the end of May 1958 it considered 8,850 individual disputes, or about one-third of the total recorded number of disputes.[69] In its first ten months, between March and December 1951, it considered only 120 cases; in the first three months of 1952 it considered 72 cases; and in the six months between April and September it considered 327 cases.[70] In 1956 the number of disputes referred to the P4P increased to 1,712, or about 38 per cent of the total; and in 1957,

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[66] "R.U.U. Tentang Penjelesaian Perselisihan Perburuhan", *Tindjauan Masa'alah Perburuhan*, Jan.–Feb. 1957, p. 53.

[67] See Managing Director Jakarta, confidential letter no. 459, 29 Apr. 1955, in Archief KPM / KJCPL, Inv. no. 619.1, Box 412, NADH.

[68] P4P Decision P4/M/57/5793, in *Tindjauan Masa'alah Perburuhan*, Jan.–Feb. 1957, pp. 18–9.

[69] *Tindjauan Masa'alah Perburuhan*, June–July 1958, p. 5.

[70] Of the 448 disputes referred to it between October 1951 and September 1952, 66 per cent came from Labour Offices in the four largest Java cities: 122 from Surabaya, 74 from Semarang, 65 from Jakarta and 37 from Bandung. The four major issues causing the disputes were wages (97), Lebaran payments (88), dismissals (67) and annual bonuses (52). The major sectors involved were plantations (134), industrial (84) and harbours (59). *Tindjauan Masa'alah Perburuhan*, Feb.–Mar.–Apr. 1952, p. 22; Oct.–Nov.–Dec. 1952, pp. 8–9.

its last full year of operation, the number rose to 1,913, or about 44 per cent of the total.

As a result of this expanding workload, decisions often took much longer than the three weeks originally promised. The Ministry of Labour in Jakarta had limited resources to staff investigations and prepare documentation for the committee. By January 1956 the situation had improved, which the minister of labour attributed to greater experience and an increase in the number of full-time officers to 35, half of whom were lawyers. Nevertheless, only 50 per cent of cases were decided within the required three weeks.[71] Ministers found it hard to devote enough time to the committee, often sending delegates who were reluctant to make decisions, and successive ministers of labour complained that they spent most of their time on P4P responsibilities.[72] Nevertheless, the increasing number of disputes referred to Jakarta enabled the P4P to steadily develop a suite of case law and establish broad guidelines for wages and conditions in the private sector. When martial law was proclaimed in March 1957, the rules that governed the relations between capital and labour were very different from those in force in 1950.

Foreign companies maintained a barrage of letters to government ministers complaining about unions and the way in which the government was managing labour relations. The employers association, industry associations, individual companies and the Dutch-language press criticised P4P decisions that, in their view, went beyond the law and ought to have been the subject of legislation. Employers were particularly critical of circulars that in their view curtailed their right to manage their workforces as they saw fit. On 12 October 1950 Minister of Labour Suroso requested companies to consult with the local Labour Office before dismissing more than ten workers. A co-ordinating body was established in each Labour Office charged with

[71] See Netherlands labour attaché report January 1956 quoting a press interview with Minister of Labour Tedjasukmana, in Archief Ministerie van Buitenlandse Zaken, Inv. no. 12313, NADH.

[72] In 1953 Minister of Labour Abidin stated that he spent 80 per cent of his time on P4P matters and because of this had insufficient time to consider other matters. *Sin Po*, 17 Aug. 1953. A translation of the article is contained in ORI translation 224, in Archief Ondernemersraad voor Indonesie, te 's-Gravenhage, Inv. no. 99, NADH. An editorial in *Pedoman* (10 Aug. 1951) argued that a key problem of the P4P was that ministers were so busy that they often did not attend meetings, or if they did attend they did not fully understand the details, resulting in superficial decisions.

investigating individual cases.[73] The employers association saw this as unwarranted interference that curtailed managements' right to employ or dismiss at will. It argued that no law required employers to consult with unions before dismissing workers, even if sometimes employers believed there was one.[74] The employers association could not accept that unions had any role in what it saw as the prerogatives of management, "especially if it cannot be established with certainty that the union in question is free from the influence of an ideology that aims to wipe out all private enterprise".[75]

In January 1952, a number of major Dutch companies in Indonesia formed a foundation to provide advice and coordinate policy on labour relations and negotiations with unions. The primary aim of the Stichting Centraal Sociaal Werkgevers Overleg in Indonesia (Foundation on Social Affairs for Employers in Indonesia, CSWO) was to protect the interests of Dutch companies, but its membership was open to Indonesian and Chinese-Indonesian companies as well as non-Dutch foreign companies. In order to avoid being seen as simply protecting foreign interests, its executive board was composed of three Dutchmen, two Indonesians and one Chinese-Indonesian, with R.S. Tedjasukmana—the secretary-general of the Dewan Ekonomi Indonesia Pusat (Central Council for the Indonesian Economy) and brother of the then minister of labour—chairman.[76] Control, though, was in the hands of Dutch companies, with the secretariat led by an industrial relations expert recruited from the Netherlands.[77]

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[73] Minister for Labour (Suroso) to companies throughout Indonesia, 12 Oct. 1950, in Arsip Sek Neg Kab PM Tahun 1950–1959, Inv. no. 3024, ANRI. Two months later Suroso wrote to all foreign companies reminding them of their obligation to develop Indonesians for leadership positions in their companies. *Antara*, 6 Jan. 1951. See Circular, 3 Nov. 1952, in Archief Ondernemersraad voor Indonesie, te 's-Gravenhage, Inv. no. 13, NADH.

[74] See Circular, 3 Nov. 1952, in which it complained that the P4P had gone beyond its legal authority. Archief Ondernemersraad voor Indonesie, te 's-Gravenhage, Inv. no. 13, NADH.

[75] Circular, 10 June 1952, in Ibid.

[76] See Circular of the CSWO, 10 June 1952, in Circular no. 349, 16 July 1952, British Chamber of Commerce, enclosed in "Indonesia: Trade Unions and Labour Movements 1951–1953", AA1838, NAA; Cowan (British Labour Attaché for Southeast Asia) to Ministry of Labour, 7 May 1952, in LAB13/587, NAB.

[77] See a note prepared by the Netherlands embassy in Jakarta, dated 18 Mar. 1952, in which it was stated that the CSWO would be under firm Dutch control. Archief Ministerie van Buitenlandse Zaken, Inv. no. 12252, NADH.

The CSWO lobbied hard against government attempts to introduce new labour laws. When the 1953 draft legislation was circulated to unions and employers for comment, the CSWO objected to the withdrawal of the 1951 emergency law, arguing the importance of retaining strong restrictions on strikes. The CSWO particularly objected to a clause that required employers to consult with unions before making decisions that, directly or indirectly, affected workers. It saw this as a serious limitation on employers' ability to manage their companies, arguing that this was a dangerous provision that allowed labour conciliators at the local level to make binding decisions that could not be appealed.[78]

The CSWO warned industry associations and individual companies against negotiating agreements with Communist unions with little regard for the wider consequences. Foreign employers, it said, had to maintain a united stance: "If employers do not abandon their contradictory views, and do not try to act in a unified and purposeful way, they threaten to lose their hold on the ongoing development and delay the necessary restoration of labour peace."[79]

It agreed with unions that there was too much intervention by dispute resolution committees, reiterating its belief that many decisions were unlawful and many others favoured the most argumentative party, by which, of course, it meant unions. It criticised the P4P for pronouncing "labour rights" which did not exist in law or were counter to existing law. Some of the irresponsible P4P decisions, it argued, were the result of inexperience, a lack of expertise and a lack of understanding of the particular industry involved in a dispute. Indonesia, it suggested, should follow many other countries that had moved the resolution of labour disputes into a civil court serviced by lawyers with expertise in labour relations.[80]

The employers association essentially wanted as little change as possible from colonial ways of managing labour. In November 1954 it objected to union demands that casual and day-wage workers be converted into monthly wage earners. After noting that the government was sympathetic to union arguments, it stated that it had no

[78] *Aneta*, 19 Nov. 1953.
[79] Publication of the CSWO cited in Circular no. 351, 12 Mar. 1953, in Archief Ondernemersraad voor Indonesie, te 's-Gravenhage, Inv. no. 13, NADH.
[80] See R.S. Tedjasukmana, chairman CSWO to the Indonesian cabinet, 22 May 1953; and the interview with *Aneta*, 19 Nov. 1953, in Archief Hoge Commissariaat Indonesie, Inv. no. 324, NADH.

objections if this simply meant that casual and day-wage workers were paid weekly or monthly. Of course, it knew full well that this was not what the unions (or the government) meant. The employers association wanted the colonial-era distinctions between daily, weekly and monthly wage earners, and the distinction between "chief workers" and ordinary workers, maintained. In an argument that had changed little since colonial days, it stated that if ordinary workers were made monthly employees, with all the extra benefits, they would turn up to work less often.[81] As late as March 1956 it was still protesting against changes in labour regulations. Employers, it stated, had no choice but to recognise the existence of unions, but it was not necessary to formally recognise them beyond the fact that they had entered into collective agreements.[82]

The constant claims of employers that the dispute resolution system was biased in favour of unions ignored the fact that one of its functions was to end colonial-era exploitation of workers and provide greater workplace justice. Labour Office officials were sympathetic to union efforts to renegotiate the postcolonial workplace, and no politician or senior official was going to defend foreign companies exploiting cheap labour as they had in the colonial past. Employers also ignored the fact that many of the P4P's decisions moderated union demands and limited industrial action. Unions as well as employers were required to abide by collective agreements, and ambit claims by unions were reduced. Unions were also required to refrain from industrial action while the Labour Office, the P4D or the P4P was assessing disputes. In January 1952 the P4P ruled that collective agreements could not include a "closed shop" clause. It interpreted Article 29 of the provisional constitution to mean that anybody had the right to establish a labour union and therefore a company could not recognise only one union in a collective agreement.[83] In the same year the P4P also adopted the principle that workers should not be paid for days on strike except where it was found to be the fault of

[81] Circular, 10 Nov. 1954, in Archief Ondernemersraad voor Indonesie, te 's-Gravenhage, Inv. no. 13, NADH.

[82] Report no. 225/Arb 26, 26 Mar. 1956, in Archief Ondernemersraad voor Indonesie, te 's-Gravenhage, Inv. no. 167, NADH.

[83] *Vrije Pers*, 19 Jan. 1952. The decision was made in a dispute between the Brantas textile company in Surabaya and the SBT. Brantas had recognised the SBT as the sole union in a collective agreement signed on 25 January 1951.

employers. In July 1953 it effectively banned unions from organising solidarity strikes by determining that strikes were legal only if they were between a specific union and a specific employer.[84]

A legally enforceable minimum wage had been part of the agenda of the labour movement since the 1920s. In negotiating collective agreements in the 1950s, unions demanded the incorporation of minimum rates of pay and invariably insisted on higher percentage increases for workers on minimum rates. The P4P, aware that wage disparities increased industrial disputes, gradually established minimum wages on an industry and regional basis through binding decisions. In making determinations on wages and conditions it also invariably considered the profitability of an industry. Higher wage increases and bonuses were awarded to workers in more profitable industries, such as the oil industry and tobacco plantations, than in the less profitable ones, such as the textile industry and the tea plantations.

The very existence of the dispute resolution system forced employers to engage with unions, knowing that refusal, or failure to reach an agreement, would trigger intervention likely to favour unions. In March 1956 a report by the United Nations Technical Assistance Mission to Indonesia acknowledged the relatively successful implementation of the system, adding that it had also "put a brake on Sobsi". While it was concerned that wages in what it called "the P4P sector" were in danger of outstripping Indonesia's economic capacity, it recognised that wages were far from high. In contrast, it reported, the conditions of unorganised labour, at least in Java, had probably deteriorated because of population growth and a shortage of jobs. It concluded that "The primary factor in industrial relations for a long time will be a state machine of conciliation, 'recommendation' and compulsory arbitration, which will be used to contain the area of conflict rather than extend the area of agreement."[85]

The Pattern of Disputes and Strikes

The Ministry of Labour published regular statistics on disputes and strikes. These covered only the private sector and were compiled from

[84] *Java Bode*, 27 July 1953.
[85] United Nations Technical Assistance Mission to Indonesia, 23 Mar. 1956, p. 2, enclosed in FO 371/123581, NAB.

reports by regional Labour Offices. The Labour Office had no jurisdiction over workers employed by central, provincial and local governments or by government-owned enterprises such as the railways and the postal service. Public sector workers were subject to separate national regulations and departmental or enterprise rules.

A dispute was defined as an unresolved conflict between labour and management where mediation by the Labour Office had been requested (by either side) but which did not involve a stoppage of work. A stoppage was any action that disrupted the normal pattern of work, including strikes, go-slows, sit-down protests, overtime bans and lockouts. The Ministry of Labour acknowledged that it could only estimate what was happening on the ground, but it is highly likely that almost all conflicts in foreign-owned companies were reported, if only because European managers sought support from officials, police and army commanders.

Disputes and work stoppages, 1950–57

Year	*Disputes*	*No. of employed workers*	*Stoppages*	*Workers involved in stoppages*	*Total workers in companies with stoppages*	*Working hours lost in stoppages*
1950	180	x	184	490,439	x	54,498,897
1951	2,734	x	543	319,030	x	26,059,398
1952	4,005	x	349	132,963	x	6,152,377
1953	1,823	1,285,500	280	419,580	637,000	4,812,100
1954	2,963	2,304,700	319	157,600	367,100	2,385,700
1955	3,697	3,488,700	469	238,900	718,900	4,097,800
1956	3,896	3,111,900	505	340,200	775,600	6,968,900
1957	4,131	5,057,500	151	62,000	175,000	863,300

Sources: Ministry of Labour, *Ekonomi dan Keuangan Indonesia*, 8 (7 July 1956), p. 458; *Statistical Pocketbook of Indonesia*, 1958; 1959.

The pattern of disputes and work stoppages reflected the impact of restrictions on strikes and lockouts introduced in February 1951 and the creation of the dispute resolution system. Of the 105 million working hours lost in the eight years 1950 to 1957, over half were lost in 1950, largely the result of a three-week strike on the plantations and lengthy strikes in the harbours and the textile industry. Another quarter were lost in 1951, mostly in the first three months of the year before restrictions on strikes were fully implemented.

Two-thirds of the lost working days in 1953 were attributed to the Sarbupri/Perbupri plantation strike, and the relatively large number of days lost in 1956 was the result of the government-endorsed strike against British and French interests after those two countries' invasion of the Suez Canal.

Foreign companies accused unions of resorting to strikes as a weapon of first choice with no regard for the fragility of the Indonesian economy. There was no mention of the fact that the majority of worker actions and union campaigns were settled in negotiations with employers, without Labour Office intervention or industrial action. In 1953 the East Java provincial government reported that 80 per cent of the 5,875 claims lodged by unions on employers in the past three years were settled by the parties themselves. Between October 1951 and February 1953, the first 17 months of the dispute resolution system, the Surabaya Labour Office handled 1,400 disputes. Of these, 140 were resolved by mutual agreement, 870 through investigation and mediation, and 153 by the P4D Surabaya. Only 147 were referred to Jakarta. Strikes were threatened in 180 of the 1,400 disputes but eventuated in only 80.[86]

The situation in Jakarta was similar. In 1951 unions lodged 720 demands on Jakarta employers, with all but 200 settled without the intervention of the Labour Office. Labour Office intervention was higher in 1952, at 429 of the 1,049 separate union claims; nevertheless, the majority were settled in negotiations between unions and employers.[87] The statistics for Jakarta in 1952 also do not support the claims of employers that Sobsi was responsible for union militancy. Sobsi unions were responsible for only 59 per cent of union demands on employers that year. At a time of high inflation, it was not only Sobsi unions that were determined to improve wages and conditions.[88] There are no comparable statistics for other provinces or time spans, but it is highly likely that Jakarta and East Java reflected a broader pattern.

The overwhelming majority of disputes were resolved without work stoppages: stoppages occurred in just 20 per cent of disputes in 1951, 9 per cent in 1952 and 14 per cent in 1956. After the

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[86] *Republik Indonesia: Propinsi Djawa-Timur* (Jakarta: Kementerian Penerangan, 1953), pp. 532–4; *Java Bode*, 30 Mar. 1953.
[87] *Republik Indonesia: Kotapradja Djakarta Raya* (Jakarta: Kementerian Penerangan, 1953), pp. 380–1.
[88] Ibid.

major strike waves in 1950 and the first few months of 1951, the vast majority of stoppages were of short duration, with an average of between 500 and 600 workers involved in each stoppage, with the exception of 1953 when the number jumped to 1,498 due to the plantation workers' strike of September that year. Detailed statistics for 1955 show that of the 338 strikes in the first nine months of the year, 194 were for one day or less. An estimated 37 per cent of the total number of workers participated in these 338 strikes.[89] Most stoppages were local ones, either the spontaneous actions of workers or organised by union branches. Even in the plantation industry and the harbours, where there were industry-wide disputes as unions battled powerful national employers associations over collective agreements, most strikes broke out over local issues initiated either by workers themselves or by union branches.

Employers argued that simple workers were being misled by agitators from Communist-led unions who were intent on implementing the PKI agenda of destroying foreign-owned companies. They were accused of making unreasonable demands with little regard for the capacity of companies to pay, the difficult economic condition of the country or the impact of higher wages on inflation. Unions responded that the common refrain of capitalists everywhere was that they could never afford to improve workers' wages and conditions. They pointed out that most foreign-owned companies in Indonesia continued to make substantial profits and pay high dividends.[90] They argued that, despite employer arguments to the contrary, they did take industrial action against national companies and, with the exception of the strike over the Anglo-French invasion of the Suez Canal, there were no political strikes.

Between one half and two-thirds of all disputes were over wages, mass dismissals or the dismissal of local union officials. Disputes over Lebaran allowances were an important issue between 1950 and 1952 but thereafter steadily declined, reflecting clearer government guidelines. Other common disputes were over workers' demands for

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[89] *Tindjauan Masa'alah Perburuhan*, Jan., Mar., June, Sept. 1955.

[90] Sobsi pointed to the large plantation and trading company Handels Vereeniging "Amsterdam" (Trading Association "Amsterdam"), which increased its profits in 1953 to Rp.64 million from Rp.11.3 million the previous year while at the same time stating in its annual report that workers' demands were making difficulties for its business. *Bahan Kongres Nasional ke 11 Sobsi*, p. 19. For a discussion of the continued profitability of Dutch companies in the 1950s, see Lindblad, *Bridges to New Business*.

annual bonuses, employers' deliberately stalling negotiations for collective agreements, and employers' refusing to implement all clauses of a collective agreement or interpreting a collective agreement narrowly in order to reduce costs. Many disputes resulted from employers' reluctance to implement decisions of dispute resolution committees or ignoring regulations issued by ministers of labour.

Race discrimination was a particular affront to Indonesians determined that independence would end European privileges. Many disputes occurred because companies provided higher wage increases to Europeans than to Indonesians or provided Indonesian staff higher increases than ordinary workers. There were also frequent instances of companies providing Europeans and higher-paid Indonesian employees with increases but stalling on union claims for a general wage rise. In 1954 the dockworkers and seamen's union, the SBPP, wrote an open letter to the minister of labour complaining that KPM had refused its claim for a 20 per cent wage increase for Indonesian sailors but in August 1953 had increased the wages of its Dutch sailors 3.6 times: "This increase is very high and not fair, all the more so when Indonesian workers doing the same job are not given the same increase."[91] In 1955 the three large Dutch-owned commercial banks—Nationale Handelsbank, Nederlandsche Handels Mij and Escompto Bank—increased the wages of Indonesian staff by 99 per cent and the wages of European employees by over 50 per cent while refusing to increase the wages of the bulk of their Indonesian workers who had not had an increase since 1953. Not surprisingly, the bank workers union called a strike, which forced the P4P to intervene and eventually direct the company to pay higher wages to all workers.[92]

There were frequent disputes over workers' refusal any longer to be treated as "natives", including demands for better-quality food, for dedicated canteens with tables and chairs, and for European managers to cease using derogatory terms when addressing them.[93] Among the resolutions of the Serikat Buruh Perkebunan (the east coast of

[91] *Antara*, 9 Jan. 1954.
[92] *Harian Rakjat*, 7 May 1955.
[93] In November 1954, 700 workers at the KPM Tanjung Priok wharf rejected the midday food provided by the company. They claimed that it was unhealthy, was of insufficient quality and did not accord with determinations by the dispute resolution committees. Moreover, plates were dirty and cracked and the meal room had been previously used by animals, with the smell making it unappetising for food. *Harian Rakjat*, 25 Nov. 1954.

Sumatra plantation workers union) in July 1950 was a demand that Europeans no longer use derogatory colonial terms such as *jongos*, *oppos* and *babu* for domestic workers.[94] In January 1951 the hotel and restaurant workers union, the Serikat Buruh Hotel dan Rumah Makan, demanded that *jongos* be replaced by the neutral word *pelajan* (attendant or waiter) or the egalitarian word *bung* (brother).[95] In January 1951 a dispute broke out when the Netherlands Steamship Company sacked 225 Indonesian sailors on its ship *Oranje* because they insisted on wearing the *kopiah* as a symbol of Indonesian nationalism, instead of the cap designated by the company, which they argued was a symbol of colonialism.[96] As late as 1956, the SBPP was in dispute with ten harbour companies because they provided European staff with a proper canteen, with tables and chairs and good food, but provided poor-quality rice and salted fish with a few vegetables to day-wage labourers who had to eat their midday meal on the floor.[97]

Despite the rhetoric of many unions, especially those affiliated to Sobsi, union-organised stoppages were rarely the first option; rather, they occurred after lengthy negotiations with employers had reached an impasse. Indeed, in 1952 Sobsi urged unions to adopt a strategy of *kecil hasil* (small gains) in order to retain the sympathy of the public and the government and increase the chances of successful negotiations, which it preferred to compulsory arbitration by the P4P. When industrial action did break out, police reports invariably commented that it was orderly and did not involve the destruction of property.

While strikes were constrained after February 1951, other forms of industrial action were much harder for the government to control. Unions increasingly resorted to go-slow campaigns, sit-down stoppages and overtime bans to pressure employers into negotiating their demands. They were strategically targeted in order to maximise the impact on employers while minimising the cost to workers. Instead of a company-wide strike, workers in a crucial area of the production

[94] *Nieuwsblad voor Sumatra*, 26 July 1950.
[95] *Antara*, 23 Jan. 1951, in *Situasi Perburuhan*, Jan. 1951, p. 16.
[96] *Antara*, 11 Jan. 1950, in *Situasi Perburuhan*, Jan. 1951, p. 46. After protest from the union and intervention from Minister of Labour Suroso, the men were eventually reinstated.
[97] *Tindjauan Masa'alah Perburuhan*, Jan.–Feb. 1956, p. 22.

process would stop work for a few hours, thereby forcing a loss of production but protecting the incomes of most of the workforce who were not on strike but could not be usefully employed. Rolling strikes of different groups of workers in a company had the same effect as did short sit-down strikes once or twice a day—or in one case for 15 minutes every hour. In the harbours, overtime bans slowed loading and unloading, resulting in extra costs to shipping companies. In the tobacco industry, where there were fixed windows for harvesting and planting, strategically timed stoppages were very costly and invariably forced companies to the negotiating table.

The bargaining power of unions varied from industry to industry and region to region, depending on the local labour market and company sensitivity to work stoppages. But industrial action, or the threat of industrial action, was an effective weapon. Unions continued to organise strikes even though they knew that the Labour Office would quickly intervene and order a return to work. They also knew that if mediation failed the Labour Office would refer the dispute to the regional or central dispute resolution committee. Unions rarely got all that they wanted from mediation or compulsory arbitration, but more often than not employers were forced into compromises closer to union demands.

Enforcement

Prime Minister Wilopo's instructions to ministers in June 1952 and his "guidelines" to the P4P a month later marked a significant hardening of the government's approach to managing worker activism. The police, local authorities and public prosecutors were now explicitly authorised, indeed encouraged, to take a tougher stance against workers and unions that engaged in direct action in support of industrial demands. The result was increased surveillance of unions, rallies and demonstrations, more intervention in industrial disputes, and a considerable increase in the number of union activists arrested and prosecuted.

Police and local officials had a battery of colonial laws at their disposal. These ranged from restrictions on public meetings, demonstrations, marches and rallies to broad regulations on obstructing traffic and distributing material likely to cause disorder. Marches, demonstrations, rallies and public meetings needed a permit from the police three days in advance. Workers and unions frequently ignored this regulation, but the police often opted to control rather

than shut down public protests. On other occasions, though, they took a harder line, including arresting organisers.

Old habits died hard for many European managers. Their instinctive reaction to protests by Indonesian workers was to telephone the police chief, the military commander or the local government head to seek their support in bringing the workers into line. Plantation managers kept records of Sarbupri members and regularly supplied lists of troublemakers to the local police. During strikes or lockouts managers often persuaded police superintendents to send armed mobile brigades to protect workplaces or plantations. However, police and local authorities were sometimes faced with determined workers who defeated attempts to implement the bans on strikes. The police faced a wall of solidarity after they were called in by the manager of the Gurach Batu rubber plantation at Kisaran, North Sumatra, in mid-1952 to end a strike. The police reported:

> It is very difficult to investigate a strike such as this, especially when it appears to be a "spontaneous strike" involving many people. When questioned, a worker states that his involvement is "on my own initiative" and that he has no knowledge of any leader. Many reports state that when questioned further, strikers say "We are not on strike" but "requesting not to work". Another reason put forward is, "It is not that we do not want to work, rather that our employer wants to change existing conditions."[98]

They ruefully admitted to being outmanoeuvred: "The police constantly find it difficult to carry out their investigations because workers run away as soon as they hear that they are coming."[99]

European managers' calls for police support during industrial disputes were not always successful, with reports of police called to plantations and factories refusing to intervene after they had heard explanations from union officials. For example, on 12 July 1952 workers at the Philips factory in Surabaya, which produced radios and light globes, demonstrated in front of the manager's office. Two

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[98] "Laporan tengah bulan dari tgl 30/6 s/d tgl 12/7 – 1952, mengenai pemogokan-2, pertikaian-2, pernjataan-2 dan tuntunan-2 dari Serikat-2 Buruh di Indonesia", Seksi Dokumentasi, Sub Seksi Perburuhan, Djawatan Kepolisian Negara, Bagian Dinas Security, Djakarta, 19 Juli 1952, p. 2, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3061, ANRI.

[99] Ibid, p. 3.

weeks earlier they had complained about being provided with poor-quality rice for their midday meals, but nothing had changed. They now demanded that the company pay them meal money for these two weeks and promise in future to provide good-quality rice. The manager accused them of rebellion and telephoned the local police superintendent. Police came to the factory but after hearing union officials' version of events left without intervening.[100] Another example was at the Braat engineering company in Surabaya. The company was in almost continuous dispute with its workforce in the early 1950s. In March 1953 the minister of labour stated that day-wage workers should be paid for official holidays that fell on a Sunday. On Saturday, 11 April, the day before an official holiday for the ascension of Muhammad, the Braat manager refused workers' request to be paid for the Sunday holiday. On Monday morning workers pushed their way into the company office and after much shouting forced the manager to back down. He immediately reported the incident to the police but was told to resolve the problem himself or contact the Labour Office.[101]

Military intervention in industrial disputes steadily increased. The military had a legal basis for intervention under the state of war and siege powers invoked by the government in December 1949 and again in February 1951, but their legal position was less clear after September 1951. This did not deter territorial commanders, who often justified intervention as assisting police to maintain law and order, even though strikes and public demonstrations during disputes were rarely disorderly. Sometimes they justified intervention as protecting the flow of vital military supplies, though unions were usually careful to assure them that industrial action would not impact on them. At other times, they argued that a dispute was in an essential industry with potentially severe consequences for the economy. Military commanders regularly ordered union leaders to end strikes and factories to reopen after lockouts. They intimidated unions by arresting and interrogating local leaders and worked with police mobile brigades to protect workplaces and plantations, control demonstrations and union rallies, and raid union offices.

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[100] *Trompet Masjarakat*, 15 July 1952.

[101] See report in Netherlands Consul Surabaya to High Commissioner, 23 Apr. 1953, in Archief Commissariaat te Soerabaja, Inv. no. 1744, pp. 2–3, NADH.

The labour regulations imposed under the state of war and siege ordinance in March 1951 and refined under the emergency law in September were important steps in the transition from a colonial to a postcolonial state. Labour Office officials and dispute resolution committees mediated between unions and employers, reduced the number and impact of strikes, and through thousands of individual decisions that favoured workers gradually ended many of the worst aspects of colonial labour control and improved the lives of workers. Successive Indonesian governments saw the dispute resolution system as supporting workers' demands for better wages and conditions.

At the same time, officials used the system not just to resolve industrial disputes but also to constrain the actions of workers and unions. The P4P regularly referred union leaders to the chief public prosecutor for refusing to accept binding decisions or for organising strikes while it was considering an issue, and the courts were used to uphold its authority. Hundreds of union activists were fined or jailed. But the P4P enforced its authority selectively. Sobsi unions were regularly targeted, while other unions were seldom prosecuted, reflecting the government's concern over Sobsi's dominance of the labour movement and the weakness of anti-Communist unions. Companies or managers were occasionally prosecuted for refusing to implement binding decisions, but unions rightly accused the P4P of a reluctance to sanction employers.

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Public Sector Workers

Public sector unions had no recourse to the dispute resolution committees and lacked the economic leverage of private sector unions. Strikes were not illegal, but administrative regulations introduced in 1952, following the strike by local government workers in Central Java in April, allowed the government to demote or dismiss public sector workers deemed to have abandoned their jobs or refused a legitimate instruction. This was an effective management tool, limiting industrial action and forcing unions to rely more on political pressure to achieve their goals. Unions stressed the importance of reforming an inequitable public sector wage structure inherited from the colonial era and asserted that it was the government's responsibility to set new standards of fairness and justice.

The government was sympathetic to union arguments, but budget difficulties resulted in public sector wages falling well behind inflation. The government argued that this was offset by improvements to the social wage, but while this was some compensation for *pegawai negeri* (civil servants), the vast majority of public sector workers were employed on a casual or temporary basis with low cash wages only. The status division between *pegawai negeri* and *buruh* (workers) was reflected in their unions. Unions for *pegawai negeri* remained independent or were affiliated to anti-Communist federations. Unions for *buruh* were affiliated to Sobsi. The former were of little concern to the government, but both Masyumi and PNI-led governments were worried about the latter. Sobsi unions tested the limits of allowable industrial action, with the most assertive being those for workers employed by provincial, municipal and local authorities; the Forestry and Public Works Departments; and the state railways.

Public Sector Unions

In 1953 there were an estimated 1,531,980 workers paid directly by the central government or by provincial, regional and municipal authorities (autonomous government regions). Another 195,568 were employed by state-owned enterprises, the largest of which were the state railways (79,447), the agricultural estates (33,876), and the post-telegraph and telephone service (25,490).[1] Many more were employed as contract labourers, especially by the Public Works and Forestry Departments and municipal authorities. Only 575,000 of central government and autonomous government regions' workforces were classified as *pegawai negeri*; the rest were classified as *buruh* and paid daily or hourly wages or piece rates with no allowances, holiday pay or pension entitlements and no guarantee of regular work. Sobsi referred to them as "stepchildren" of public sector workers because they were not protected by labour laws.[2]

Sobsi internal records show that in 1955 it had eight affiliated public sector unions with 313,742 members, or 28 per cent of the total membership of all affiliated unions. The largest unions were for railway workers (67,604), forestry workers (61,000), Public Works Department workers (46,687), and workers employed by provincial and municipal authorities (70,060).[3] All of these areas employed a high proportion of casual day-wage workers and contract labourers. Almost all unions with a high percentage of *pegawai negeri*, such as those for teachers, administrative workers, pawnshop workers, and health workers, were independent or were affiliated to anti-Communist federations. They were wary of Sobsi, in part because of its Communist leadership but in part also because their members saw themselves as different from ordinary workers.

The more egalitarian language of public discourse in the 1950s disguised the deep class divisions in Indonesia. Indonesians continued to aspire to be *pegawai negeri*, just as they had under colonial rule. Manual work continued to have a lower status, and the educated urban elites still found it hard to understand ordinary workers whose

[1] *Statistical Pocketbook of Indonesia*, 1958, pp. 234, 236.
[2] Sawiruddin, secretary Sobsi socio-economic bureau, "Kesatuan aksi buruh negeri untuk perbaikan nasib", *Suara Buruh Kependjaraan*, 1–2, 1953, p. 22.
[3] Untitled Sobsi document (undated but probably 1959), p. 2, enclosed in Arsip Sobsi, Inv. no. 46, ANRI.

worldviews and daily lives were so different from their own. In 1954 an article in the magazine of the anti-Communist railway workers union, the PBKA, argued that class divisions in the workplaces were hindering union growth. Divisions were especially strong, it said, among workers in the public sector, where the psychology of *pegawai negeri*, with their sense of superiority and feudal attitudes, had not changed from the colonial period. This deep-seated stratification, with low-level workers not brave enough to raise issues with their superiors and high-level workers lacking good connections with them, made unions essential for the protection of ordinary workers. "The spirit of the *pegawai*," it argued, "must completely change to become the spirit of the people."[4]

Status divisions in the public sector had resulted in the formation of status-based unions in the 1920s and 1930s. This continued after independence. There were two major unions in the railways. The largest was the Sobsi-affiliated SBKA, which proudly traced its lineage to the pre-war Vereeniging voor Spoor- en Tramweg Personeel in Nederlandsche-Indies (Union of Rail and Tramway Workers in the Netherlands Indies) and the Perhimpunan Beambte Klas11 Spoor dan Tram di Hindia Belanda (Union for Second Class Rail and Tram Workers in the Netherlands Indies, PBST). Its rival, the PBKA, traced its lineage not only to the PBST but also to the Spoorbond, a more conservative union dominated by mid-level Eurasian workers. In the 1950s, clerical, administrative and technical personnel as well as stationmasters were more likely to join the PBKA, while drivers, conductors and lower-level workers were more likely to join the SBKA. The situation in the post office was similar. The majority of members of the Sobsi-affiliated Serikat Buruh Postel (SBP) were lower-level workers. Most higher-level workers joined the Serikat Buruh PTT, which was not affiliated to Sobsi. The SBP traced its lineage to the 1930s union Perhimpunan Pegawai Post-Telegraaf, Telefon, Radiodienst Rendahan (Union for Lower Level Workers in the Post, Telegraph, Telephone and Radio Service), while the Serikat Buruh Pos, Telegraf & Tilpon (Union for Post, Telegraph and Telephone Workers, SBPTT) traced its lineage to the pre-war Midpost, a union for mid-level postal workers.

After independence, better-paid and more skilled workers in the public sector often deserted Sobsi unions to form their own.

[4] "Nasib Pegawai …", *Obor*, July 1954, pp. 3–4.

In the Public Works Department, for example, the Sobsi-affiliated Serikat Buruh Pekerjaan Umum (Union for Public Sector Workers, SBPU) was the dominant union. Most of its members were day-wage labourers who were the vast majority of the workforce. While some higher-level workers had leadership roles in the SBPU, in July 1951 others broke away to form their own union, the Serikat Buruh Djawatan Pekerjaan Umum (Union for Workers in the Public Works Department, SBDPU). The stated principles of the new union were in stark contrast to those of the SBPU: cooperation with the government, no politics or advocacy of class struggle, the resolution of labour problems through discussion rather than direct action, solidarity with other labour unions, and *pancasila* as its foundation.[5]

The continuation of *pegawai negeri* paternalism towards *buruh* was frequently noted and resented by leaders of unions for lower-level workers. In 1954, for example, the chairman of the SBPTT was reported as saying that his union had about 8,000 members and that a large proportion were educated mid- and high-level personnel with special skills. An irritated contributor to the Serikat Buruh Postel magazine criticised this elitist view, arguing that there were only about 1,200 high-level workers in the post office and that about half of them were members of the SBP. Did the SBPTT, he asked, think that the SBP was composed only of boys (*kacung*)?[6]

In the early years after independence ministers, senior officials and managers of state-owned industries were supportive of labour unions, believing they had an important role in the postcolonial economy. Public sector unions with a high proportion of *pegawai negeri* persuaded departments and state enterprises to deduct membership fees directly from wages and to provide in-kind assistance such as office space. It was more difficult, though, for unions covering predominantly day-wage or casual workers, such as the forestry workers union and the union for municipal and local authority workers. They were refused direct payroll deductions, and this, combined with the precarious nature of members' work, made it difficult for them to collect fees regularly.

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[5] *Aneta*, 17 Sept. 1953. Pancasila (Five Principles) was adopted as the foundation of the Indonesian state in 1945: belief in one God, just and civilised humanity, national unity, democracy based on deliberation and consensus, a just and prosperous society.

[6] "Pokok", *Suara Buruh PTT*, 2–3, Feb./Mar. 1954, p. 9.

Public sector unions that had operated continuously since the 1910s and 1920s, broken only by the Japanese occupation, were financially stronger than others. For example, the union for pawnshop workers, the Serikat Buruh Pegadaian, founded in 1916, represented about 5,000 pawnshop employees, most of whom were *pegawai negeri*. The union had a payroll deduction agreement that provided it with an income of over Rp.134,836 in 1951, a sum greater than any private sector union with the exception of the large plantation workers union Sarbupri. It was able to pay its central executive and the editor of its journal significant honoraria.[7] Teachers also had been organised since the 1910s. Payroll deductions received by the teachers union, the PGRI, enabled the union to purchase its own building and produce a substantial fortnightly magazine. The central executive of the postal workers union, the Serikat Buruh Postel, had a monthly expenditure in 1954 of over Rp.12,000, which enabled it to spend Rp.7,700 each month on printing and distributing 6,000 copies of its magazine to members.[8] In June 1953 it proudly announced its move into its own building in Bandung that in addition to offices contained a conference hall, a library and a meeting place.[9] The two competing railway workers unions were able to purchase their own headquarters, with the Sobsi-affiliated SBKA building costing over Rp.1 million. These long-standing unions in the public sector and state-owned enterprise had the funds to publish magazines regularly, in contrast to the sporadic publications of most other unions.

Financially strong union branches rented accommodation and often had small meeting rooms and libraries. Branches were important social and cultural hubs for members, just as they had been in the pre-war years. They organised cultural performances and courses in traditional music, dance and other art forms. Their English-language courses taught by local teachers were popular. They formed sporting teams (for men but not for women)—mostly football but also badminton, volleyball, table tennis and tennis.[10] The larger unions organised football competitions between branches in the one town,

[7] *Suara Buruh Pegadaian*, 10 Feb. 1951.

[8] "Keputusan-keputusan kongres SB Postel ke VI di Semarang tgl 11/11 s/d 17/11 1953", Pengurus Besar Serikat Buruh Postel, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3092, ANRI. See also *Suara Buruh PTT*, Jan. 1952, p. 2.

[9] *Suara Buruh PTT*, June 1953.

[10] See, for example, a report by Serikat Buruh Postel in *Suara Buruh PTT*, Nov./Dec. 1954.

and some branches entered teams in local competitions. Football competitions were sometimes organised for delegates attending regional conferences and national congresses, with great rivalry between branches. Union magazines frequently printed reports and photographs of football teams and of social outings to places of cultural significance.[11]

Public sector unions were more likely to operate mutual benefit societies than their private sector counterparts, such as death benefit funds, savings and loan societies, and consumption cooperatives. These were more common in unions with a high proportion of better-paid workers and those that had membership fees and other contributions deducted directly from wages. Almost all the nearly 500 branches of the teachers union (PGRI), for example, had a cooperative and a death benefit fund.[12] The postal workers union, the Serikat Buruh Postel, the pawnshop workers union and the railway workers unions included contributions to death benefit funds in fees deducted from wages.[13] Other unions had enough difficulty in collecting membership fees from low-paid temporary and casual workers without trying to collect extra money for mutual benefit funds.

Public sector unions campaigned for an annual Lebaran payment to be legislated for both public and private sector workers, arguing that this would provide certainty for struggling workers and avoid annual disputes. They also campaigned for an end to the government's discriminatory treatment of its workers over Lebaran payments. While the extra money paid to *pegawai negeri* varied from year to year, depending on the state of the budget, it was invariably a gift; but the three-quarters of public sector workers employed as day-wage or casual labourers only received an advance to be repaid in instalments over six months. Unions argued that this was unfair to the lowest-paid and most insecure workers who barely survived from

[11] Some also established, or re-established, women's auxiliaries. In 1953 the pawnshop workers union congratulated members' wives for reforming the women's auxiliary and "already beginning to return to the footsteps of the years before Japan came to the fatherland". "Seruan Wanita", *Suara Buruh Pegadaian*, 10/25 Feb.–10 Mar. 1953, pp. 65–6.

[12] *Suara Guru*, Jan. 1952, p. 9.

[13] *Suara PTT*, Jan. 1953, p. 11; May 1953, p. 23. The SB Postel death benefits fund was substantial. In December 1952 SB Postel paid death benefits for 53 children, 9 wives and 13 members and in May 1953 for 73 children, 10 wives and 11 members. *Suara PTT*, Mar. and May 1953.

week to week. How, they asked, did the government expect them to be able to afford to pay back a Lebaran advance when they had so little? Ministers were sympathetic but argued that the size of the temporary and casual workforce meant that the government could not afford to make a gift to them.

Both Sobsi and non-Sobsi public sector unions pressured the government to review the public sector wage regulations (PGP). They argued that wage rises had been greatly outstripped by inflation and that the complex classification system was little changed from the colonial era, when most Indonesian workers were on the lowest levels. While the PGP covered only about a quarter of the public sector workforce, it was an important baseline for union campaigns to improve the wages of temporary and casual day-wage workers. The PGP, along with the gradual improvements in the social wages of *pegawai negeri*, also influenced the claims of private sector unions in negotiating collective agreements. The government was aware of this and hoped that improvements to the social wages of its employees would persuade private companies to follow its lead.

When the Republic of Indonesia established the PGP in 1948 to replace the colonial system, the ratio of minimum to maximum wage of 1:266 was reduced to 1:16⅔ by increasing the minimum wage and reducing the maximum wage by two-thirds. In June 1950 the RIS government increased PGP rates by 50 per cent to partially compensate for the massive increase in living costs since 1948. However, high inflation in 1950 and 1951 saw the real wages of public sector workers sharply decline. Anxious to prevent industrial unrest, in January 1951 the minister of finance announced a review of the PGP. Public sector unions joined forces to demand that the four large federations—Sobsi, GSBI, BPSS and the Gabungan Serikat Buruh Pemerintah (Federation of Government Workers)—were represented. As a result, the 16-member committee formed in June, chaired by Member of Parliament Sutardjo Kartohadikusumo—a respected pre-war nationalist—included eight representatives from the four labour federations.[14]

Sobsi saw an opportunity to strengthen its position with public sector unions by publicly campaigning for significant improvements.

[14] See "Statemen-Bersama" from public sector unions to the minister of finance, 21 Jan. 1951, *Suara Buruh Pegadaian*, 26 Feb. 1951, p. 50; and *Suara Guru*, Jan. 1952, pp. 5–6.

These included a 60 per cent wage rise—justified by the increase in the cost of living since June 1950—a minimum monthly basic wage of Rp.135, a fixed child allowance rather than one related to a worker's wage, and limits on the wages of foreign workers engaged by the government to no more than ten times the maximum rate for Indonesians.[15] It adroitly coordinated union members on the Sutardjo committee, ensuring that it went a long way to meeting its demands. Its recommendations included a minimum monthly wage of Rp.135, an overall wage rise of 33⅓ per cent and a limitation of 20:1 for expatriate wages. The Sukiman government accepted the recommendations but was forced to resign before they could be implemented. The Wilopo government, which took office in April 1952, adopted a less favourable position, arguing that it could not afford the package. It agreed to increase wages by 20 per cent but rejected the recommendation for a minimum wage.[16]

The Wilopo government's failure to implement the Sutardjo committee's recommendations in full was just one of a series of measures it took in the latter half of 1952 to reduce expenditure and balance the budget. The boom in Indonesian exports as a result of the Korean War had been short-lived. By the end of the year all departments and state-owned enterprises were instructed to reduce expenditure. Specific measures included a freeze on recruitment and promotions, limitations on overtime, reductions in the employment of day-wage labour, and a requirement for workers to pay for government-provided transport to and from work. Departments and state-owned enterprises were also instructed to reduce their total workforces through the forced retirement of people aged 55 or over who were eligible for a pension.[17]

Unsurprisingly, unions opposed these measures, in particular fighting hard against forced retirements and redundancies, arguing that low pensions would force people into poverty. They were successful in getting the government to retreat from forcing older workers

[15] Sawiruddin, "Kesatuan aksi buruh negeri untuk perbaikan nasib", pp. 22–4.
[16] *Pedoman*, 8 Apr. 1952.
[17] Sawiruddin, "Kesatuan aksi buruh negeri untuk perbaikan nasib", pp. 22–5. The Wilopo government also began to reduce the number of soldiers through a demobilisation programme. This programme was highly unpopular in the military, with fears that retired soldiers would find it hard to get outside work. It resulted in army-organised demonstrations in Jakarta on 17 October—the so-called October 17 Affair. See Feith, *Decline of Constitutional Democracy*, pp. 246–73.

to retire, but budget reductions forced central departments as well as provincial and municipal authorities to make workers redundant and to reduce their use of casual labour. This made it even more difficult to get wage increases for casual day-wage labourers who bore the brunt of the government's economising measures.

The government's failure to fully implement the recommendations of the Sutardjo committee caused even the most moderate public sector union to complain that it was treating workers unfairly. The secretary of the Madiun branch of the teachers union, for example, lamented that "the PGRI does not ask for high wages but simply demands its rights".[18] Over the next three years unions bombarded prime ministers, cabinet ministers and members of parliament with letters and resolutions demanding wage justice. The government responded sympathetically, but it remained adamant that the national budget could not afford further wage rises, pointing to steady improvements in the social wage for *pegawai negeri* as compensating for stagnant wages. Unions accepted that *pegawai negeri* had a better social wage than most workers in the private sector but argued that this did not compensate for wages eroded by inflation. It was even worse for the three-quarters of government workers employed on a temporary or casual basis who received no social wage.

Sobsi took the lead in coordinating public sector unions in order to increase pressure on the government. In April 1954 it convened a meeting of 51 unions to form a coordinating body, the Rukun Kerja Sama (Cooperative Association, RKS), with a central committee in Jakarta and regional committees in the major cities. Unions affiliated to Sobsi, the GSBI and the KBSI, along with many independent unions, participated. Over the next three years, in addition to demanding full implementation of the Sutardjo committee recommendations, the RKS focused on what it described as the injustice of low wages for day-wage and casual workers and the denial of allowances paid to *pegawai negeri*. It demanded substantial increases in the minimum daily wage and for all public sector workers, irrespective of their status, to receive a Lebaran gift instead of an advance, together with free allowances of rice and textiles.[19] It argued that people's needs at Lebaran were the same whether they were a *pegawai negeri*,

[18] *Trompet Masjarakat*, 13 Aug. 1953.
[19] "RKS menuntut tundjangan Hari Raja untuk semua buruh", *Suara Buruh Pegadaian*, 1955, p. 132.

a day-wage or contract worker, or a worker for an autonomous government body.[20] In commemorating the first anniversary of the RKS, Sobsi rejected the government's argument that the state of its budget prevented it from meeting RKS demands: "Sobsi emphasises once again that the state's financial difficulties cannot be overcome by focusing on the position of *pegawai*, but by focusing on areas of the economy that can produce increased state revenue."[21]

In July 1955, probably with a view to the national elections in September, the Ali government finally agreed to reform the PGP by introducing a minimum monthly wage of Rp.81 and permitting the reclassification of some jobs. While welcomed by unions, it fell well short of the Sutardjo recommendations and did not take account of inflation since 1952. The Ali government fell before these changes could be implemented, but the Burhanuddin government finally implemented them from 1 October.

The RKS was a useful forum but could not overcome the divisions between public sector unions. These unions joined the RKS because they had a common interest in improving the PGP and workers' social wage. Beyond this, though, class and ideological divisions prevented the RKS from fulfilling Sobsi's hope that it would become a powerful united front and bring public sector unions under its wing. Non-Sobsi unions did not trust Sobsi, with many convinced that it was trying to use the RKS to advance its own agenda and to infiltrate their organisations. There were reports in 1955 and 1956, for example, of a battle for control of the teachers union (PGRI) between its chairman, Sudjono—a PKI "non-Party" candidate for the 1955 elections who wanted the union to join Sobsi—and its secretary-general, Hidayat—a member of Masyumi who wanted the union to remain independent. The Hidayat group won the battle, and the PGRI led the pushback against Sobsi unions in the RKS.[22]

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[20] See, for example, "Badan Kerdja Sama SB Pegawai Negeri Bandung", 13 May 1954, in Arsip Kab President RI, 1950–1959, Inv. no. 686, ANRI; and "Laporan Sekretariat Kerdja Sama Pusat Organisasi2 Pegawai/Buruh Negeri", *Suara Buruh Pegadaian*, 1955, pp. 56–8.

[21] "Sambutan Dewan Nasional SOBSI terhadap ulang tahun kesatu Rapat Kerdja Sama Buruh Negeri Pusat", 14 May 1955, in Arsip Koti, 1963–1967, Inv. no. 613, ANRI.

[22] See "Indonesia: Labor Report, Second Quarter, 1955", Amembassy Jakarta, Despatch no. 13, 7 July 1955; and "Labor Developments: Indonesia, July 1956, Second Quarter Review", Amembassy Jakarta, Despatch no. 22, 9 July 1956, in Department of State, Indonesia Labor Reports 1955–1956 and 1956, NARA.

Independent public sector unions and those affiliated to anti-Communist federations were rarely of concern to the government. There were occasional skirmishes, such as with the teachers union in 1950 over integration of working conditions of the RIS and the republic or with the KBSI in 1955, but these were few and far between. They cooperated in the RKS, campaigned for reforms to the PGP and Lebaran allowances, and constantly referred to the nation's responsibility to improve the lives of the *buruh* but remained convinced that *pegawai negeri* had a special status. The tone of their magazines was noticeably moderate, with regular articles on issues of professional concern and little of the ideological language and attacks on imperialism that were commonplace in the magazines of Sobsi unions.

Both Masyumi- and PNI-led cabinets were far more concerned about public sector unions affiliated to Sobsi. It was a PNI prime minister, Wilopo, who instructed ministers and police in July 1952 to take action against strikes in the public sector, and the subsequent PNI-led cabinets of Ali Sastroamidjojo retained the policy. Indeed, the PNI created its own labour union, KBKI, in order to reduce the influence of Sobsi in both the public and private sectors. Successive cabinets accepted that public sector workers had the constitutional right to strike, but they argued that for the foreseeable future they could not allow them to exercise this right because of the fragile economy. More fundamentally, they asserted that public sector workers had a unique status and responsibilities that differentiated them from ordinary workers. Some ministers even objected to public sector unions including the word *buruh* in their name.[23] Public sector unions were urged to resolve industrial issues through negotiations with department heads or ministers.

Sebda Strikes in 1952

Three of the largest Sobsi public sector unions represented hundreds of thousands of workers employed by provincial governments,

[23] During the strike of low-level workers employed by local authorities in Central Java in April 1952, Minister of Finance Jusuf Wibisono (who was also chairman of SBII) stated, "In my opinion *pegawai negeri* are not *buruh*. I have always objected to unions for *pegawai negeri* calling themselves serikat buruh." *Trompet Masjarakat*, 17 Apr. 1952. He repeated this view in an address to the congress of the union for customs and excise workers in 1956. *Harian Rakjat*, 18 June 1956. In 1952 Minister of Labour Tedjasukmana argued that government workers could not go on strike "because they are not ordinary workers but administrators of law and justice". *Trompet Masjarakat*, 17 Apr. 1952.

municipal councils, the Public Works Department and the Forestry Department, the vast majority of whom were casual or temporary day-wage labourers. The Serikat Buruh Daerah Autonomon (Union for Workers in Autonomous Regions, Sebda) represented workers in municipal councils and provincial governments, the Serikat Buruh Kehutanan Seluruh Indonesia (All Indonesia Forestry Workers Union, Sarbuksi) represented forestry workers, and the SBPU represented workers in the Public Works Department. Smaller unions represented administrative workers, foremen and skilled manual workers. The challenges faced by Sebda, Sarbuksi and the SBPU included a lack of good local leaders, difficulty mobilising people scattered across hundreds of sites, the refusal of departments and local authorities to collect union dues, and managers insensitive to those who lived on the margins of poverty.

Sebda was formed in Yogyakarta in 1947. After the transfer of sovereignty, it moved its head office to the Central Java capital of Semarang and quickly expanded. Its central and branch leaders were predominantly better-paid permanent employees of local and provincial governments, and some were senior officials. In 1953 all members of the Surabaya branch executive were department heads of the municipal council.[24] Two of the Central Java district representatives to the national congress in 1955 were the head of the Public Works Department at Madiun and a technical specialist in the Public Works Department in Yogyakarta.[25] The chairman of the Bandung branch in 1951 was the head of the personnel and finance department of the Bandung municipal council.[26] In 1955 Sebda claimed a membership of 70,000, though it admitted that only 9,000 were financial.[27]

The SBPU was formed in Jakarta in November 1950. Its chairman, Sakirman, was a member of the Sobsi central bureau and chairman of the PKI faction in the national parliament. Its general secretary, F. Runturambi, was also a member of the Sobsi central bureau and in 1955 became a member of the administrative committee of the WFTU. In 1955 it claimed a membership of 46,687.[28] Sarbuksi was formed in 1950 by an amalgamation of the pre-war

[24] *Algemeen Indisch Dagblad*, 22 Sept. 1951; *Vrije Pers*, 16 July 1953.
[25] *Locomotief*, 17 Dec. 1954.
[26] *Merdeka*, 24 Sept. 1951.
[27] Untitled Sobsi document (undated but probably 1959), p. 2, in Arsip Sobsi, Inv. no. 46, ANRI.
[28] Ibid.

union Perhimpunan Pegawai Boschwezen and the Serikat Buruh Kehutanan (Forestry Workers Union, SBK), established in the republic in 1945. Sarbuksi was a member of the WFTU Agricultural and Forestry Workers Trade Union International. In September 1953 a group broke away from Sarbuksi because of its Sobsi affiliation to create a rival union, once again called Serikat Buruh Kehutanan (Forestry Workers Union, SBK). In 1955 the Ministry of Labour estimated that Sarbuksi had 61,000 members and the SBK 5,000, but as with Sebda only a small proportion paid their dues.[29]

Sebda expanded quickly after 1950, so much so that its central executive was concerned that its structures had not kept pace. Its third congress in September 1951 adopted a plan to strengthen central control over branches, consolidate finances, and improve connections with Sobsi at both the central and branch levels. A daily executive was created to manage day-to-day activities and a budget group established to develop central and branch budgets and educate local leaders about the union's financial needs. Membership dues were not deducted from workers' pay by local authorities, and as a result branches struggled to collect fees.

Sebda leaders were well aware that in order to retain the support of casual and day-wage labourers forced to live on subsistence wages they had to deliver, and be seen to deliver, immediate benefits. Despite concerns about its branch structure and the state of its finances, in 1951 Sebda began a campaign to improve wages and conditions. Its demands included higher wages to compensate for inflation, subsidised rice, a social wage equivalent to that provided to permanent workers, and legal protection against arbitrary actions such as dismissal. It also wanted a wage structure whereby the highest-paid received no more than ten times the wages of the lowest-paid. In language commonly used by labour unions in the 1950s, the plenary session of Sebda in February 1952 described its demands as "fair and reasonable".[30]

Sebda achieved a major breakthrough in October 1951, when the West Java parliament agreed to increase the minimum wage for locally employed day-wage workers from Rp.3.50 to Rp.4.50. On 24 October the governor of West Java implemented the new rate for all local government workers whose wages were not regulated by the

[29] Ibid.; *Tindjauan Masa'alah Perburuhan*, July 1955, p. 31.
[30] *Harian Rakjat*, 4 Feb. 1952.

PGP. The wage bills of provincial and municipal governments were covered by the central government, with local authorities responsible only for allowances.[31] Parliament and the governor assumed that the Jakarta government would provide the additional funds. Buoyed by this success, Sebda pressured provincial and municipal governments in Central and East Java to follow suit.

Sebda's campaign for fair and reasonable treatment of day-wage workers extended beyond increasing their minimum wage. When the Sukiman government introduced a subsidised rice allowance for centrally employed permanent employees from 1 October 1951, but not for day-wage workers, Sebda protested that this was unfair at a time when most day-wage workers were still paid only Rp.3 a day and the price of rice had risen to Rp.3 a kilo. Its protests were ignored.[32] Under considerable budget stress, the government was concerned about the impact of extending subsidised rice beyond *pegawai negeri*.

Sebda demanded that local authorities fill the gap left by the government's decision. The governors of West and East Java quickly agreed to provide a daily rice allowance from local funds, but the governor of Central Java stalled. Sebda lobbying persuaded the Central Java provincial council at the end of January 1952 to support its claim, but the governor refused to ratify the decision, stating that he lacked the money to pay for it. Through February and March 1952 Sebda held meetings with him, branches organised protest meetings, and there were reports of spontaneous protests by workers themselves.[33] However, Sebda's year-long campaign received another blow on 14 February when the Sukiman government revoked the decision of the governor of West Java to raise day-wage workers' wages, on the grounds that the financial consequences were borne by the central government.[34]

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[31] *Merdeka*, 26 Nov. 1951.

[32] *Trompet Masjarakat*, 17 Oct. 1951. At the end of November Sebda joined with Sarbuksi in sending a letter to the cabinet stating that the food distribution was not fair and demanding that all public sector workers participate in the same way and at the same rate as *pegawai negeri*. *Locomotief*, 4 Dec. 1951.

[33] *Locomotief*, 21 Mar. and 4 Apr. 1952.

[34] "Massalah upah buruh harian Djawa-Barat. Keadaan sesudah putusan cabinet tgl 25-4-1952", Panitya Aksi Central Biro Sobsi, Jakarta, 9 Aug. 1952, in Arsip Kab President RI, 1950–1959, Inv. no. 780, ANRI; report on a meeting between Sobsi and the minister of internal affairs on 22 March 1952 in *Harian Rakjat*, 25 Mar. 1952.

The decisions by the Sukiman government on minimum wages and subsidised rice placed Sebda in a difficult position. For more than a year it had conducted a public campaign to improve the wages and conditions of day-wage workers. At the beginning of 1952 day-wage workers in Central Java were restive over the governor's refusal to introduce a rice allowance when they knew that day-wage workers in East and West Java received one. The government's decision of 14 February caused even greater unease among day-wage workers in the Public Works Department in Bandung and forestry workers throughout West Java who had been paid the increased wage of Rp.4.50 a day for the first time on 1 December 1951, along with back pay to 24 October. Not only was this increase revoked, but the workers were told that they had to repay increases already received.[35] With no savings, it would have been impossible for low-paid workers to repay money in a lump sum. The amount would be recovered by deductions from their meagre daily wage over several months, making it even more difficult for people who lived on a day-to-day basis.

The Sebda central executive was worried not just that the government was ignoring its pleas but also that its intervention was making the union look weak. Aware that it had little influence on its own, it turned to Sobsi for support.[36] Sobsi saw an opportunity to demonstrate that it was the only organisation able to win a fight with the government because of its size, its ability to exert political pressure through its representatives in the national and provincial parliaments, and its ability to widen a dispute.[37] On 24 February it established an action committee and on 20 March threatened a strike unless the government agreed to Sebda's demands.[38]

In late March Sobsi held four meetings with the minister of the interior. Although the Sukiman government had resigned on 23 February and was in a holding pattern until the formation of the new Wilopo cabinet, on 3 April the minister of the interior eventually

[35] For a report on an inquiry by the labour section of the DPR into the government's rejection of the wage decision of the governor of West Java, see *Harian Rakjat*, 6 Mar. 1952.

[36] See "Laporan Singkat tentang pemogokan Sebda Djawa Tengah", Secretariat Sentral Biro Sobsi, 14 June 1952, in Arsip Sobsi, Inv. no. 229, ANRI.

[37] "Masalah upah buruh harian Djawa-Barat. Keadaan seseudah putusan Kabinet tgl 25-4-1952", Panitya Aksi Sentral Biro Sobsi, Jakarta, 9 Aug. 1952, in Arsip Kab President RI, 1950–1959, Inv. no. 780, ANRI.

[38] See "Digest of Events in Indonesia", 5 Apr. 1952, in AA, Inv. no. 1838.

agreed to increase the minimum wage to Rp.4.50, backdated to 1 January 1952. Negotiations broke down over Sobsi's demand that the increase be backdated to 24 October 1951, the date of the original agreement between Sebda and the governor of West Java.

Sobsi responded by instructing Sebda to prepare for a strike.[39] On 7 April around 8,000 workers began a two-day strike in the major West Java cities of Bandung and Cirebon as well as in the smaller towns of Bogor, Sukabumi, Garut and Tasikmalaya. Hundreds of local government workers who were not day-wage labourers joined the strike in solidarity.[40] Wary of possible disorder, Sebda organised strikers in Bandung to congregate at specific locations so that they could be supervised. Those providing essential services, such as water, electricity and graveyards, were instructed to continue working in order not to make life more difficult for ordinary people.[41]

There was a swift response from the new Wilopo government. On 8 April it accepted the decision of the outgoing minister of the interior to raise the minimum wage for day-wage workers in West Java to Rp.4.50. After much discussion between ministers about the implications of raising the minimum wage, on 28 April the government announced that public sector day-wage workers in West Java earning up to Rp.3.50 would now be paid Rp.4.50, those earning between Rp.3.50 and Rp.4.50 would get an increase of 75 cents, and those earning over Rp.4.50 would be paid Rp.5.25. Moreover, overtime was standardised in accordance with the labour laws introduced in May 1950—tacit recognition that not just private employers but also local authorities were slow in implementing them. Day-wage labourers working more than seven hours in a day or 40 hours in a week were to be paid overtime at the rate of 150 per cent of normal wages. On Sundays and official holidays, they were to be paid 200 per cent. The increases were backdated to 24 October 1951, the date of the subsequently revoked decision of the governor of West Java.[42]

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[39] "Pengumuman No. 1", Panitya Aksi Sentral Biro Sobsi, 29 Mar. 1952, in Arsip Kab Pres RI, 1950–1959, Inv. no. 780, ANRI.

[40] *Java Bode*, 8 Apr. 1952; *Nieuwsblad voor Sumatra*, 9 Apr. 1952; *Harian Rakjat*, 8 Apr. 1952.

[41] See *Trompet Masjarakat*, 9 Apr. 1952; *Harian Rakjat*, 8 Apr. 1952; "Pengumuman No. 2", 3 Apr. 1952, Panitya Aksi Sentral Biro Sobsi, in Arsip Sek Neg Kab PM, 1950–1959, Jld 2, Inv. no. 1722, ANRI.

[42] Documents on the decisions of cabinet and its internal deliberations are contained in Arsip Sek Neg Kab PM, 1950–1959, Inv. no. 3035, ANRI. See also *Trompet Masjarakat*, 12 Apr. 1952.

This was a major victory for Sebda and Sobsi, but despite union protests, the government instructed departments and local government to take disciplinary action against strikers and not to pay them for the two days they were on strike. Over the next few months, the Forestry Department sent letters to 851 of its workers, asking them to explain why they had gone on strike and threatening them with further action. Some city councils found ways to avoid paying the increases. The Bandung municipal council, for example, was already paying its day-wage labourers Rp.3.50 and a daily rice allowance worth Rp.1.25 after the Sebda campaign in 1951. With the minimum wage raised to Rp.4.50, the council removed its rice allowance. Protests from Sebda and Sobsi were ignored. The Cirebon municipal council refused to pay the increase at all, arguing that its workers were members of a different union not affiliated to Sobsi.[43]

The West Java strike was followed by a more extensive strike in Central Java. Through February and March 1952, the Sebda central executive pressured the governor of Central Java to increase the wages of day-wage workers to Rp.4.50 and to fall into line with the governors of East and West Java by paying a daily rice allowance of Rp.1.25. Branches throughout Central Java held protest meetings. On 27 March Sebda informed the governor that it would call a strike within three weeks if he did not accede to its demands.

As a result of the threat, the governor met the members of the Sebda central executive. He expressed sympathy for their demands but regretted that he did not have the money to meet them. He promised to refer the issue to Jakarta and urged the union to be patient. Receiving no further response, and buoyed by the success of its two-day strike in West Java, on 18 April Sebda informed the governor that it would call a strike on 23 April unless its demands were met. The governor responded by warning that day-wage workers who went on strike would be sacked and permanent workers who joined would be disciplined.[44] This warning and the retribution against those involved in the West Java strike must have worried Sebda leaders, but they probably feared they would lose workers' support if they conceded defeat. Early on the morning of the first day of the scheduled strike, members of the central executive sought

[43] See reports in "Masalah upah buruh harian Djawa-Barat. Keadaan seseudah putusan Kabinet tgl 25-4-1952"; and *Harian Rakjat*, 12 Sept. 1952.
[44] *Locomotief*, 21 Apr. 1952.

a further meeting with the governor in order to try to resolve the dispute, but he refused to meet them.[45]

Sebda had planned a staged strike in the hope that the governor would cave in early and in order to minimise workers' loss of wages. On 23, 24 and 25 April day-wage workers in the cleaning, drainage and gardens service of municipal councils were scheduled to hold sit-down stoppages between 9am and 12 noon. On 26 and 27 April they were scheduled to go on a total strike and be joined by day-wage labourers in the markets. On 28, 29 and 30 April all day-wage workers would join the strike and permanent workers hold sit-down strikes.[46]

Sebda overestimated the willingness of workers living on the margin to support industrial action. Of the 22,000 day-wage workers employed by local authorities in Central Java, only about one-third went on strike. The strike was concentrated in the provincial capital of Semarang, involving about 2,400 of the 5,500 day-wage workers, and in Solo and Kebumen. Most permanent and monthly paid workers stayed on the job. In Semarang, for example, where Sebda was strongest, only 50 permanent and monthly paid workers took part.[47] The fact that two-thirds of workers stayed on the job made it much easier for the government to take strong action against strikers. Strikers' leverage was further weakened by work continuing as usual in areas where local authorities were already paying a cost-of-living allowance of Rp.1.25 to day-wage workers.[48]

Although the strike ended on 30 April, the following day local authorities locked out strikers. The strikers were allowed to re-register for work at the existing rate but given no guarantee they would be re-employed. With a large pool of unemployed and underemployed people in Central Java, local authorities had no difficulty in finding replacement labour. Hundreds of men came into Semarang from surrounding villages and towns seeking work. They were protected by police and the military as they moved around the city collecting piles of rubbish from streets, markets and kampungs. Sacked day-wage

[45] "Laporan Singkat tentang pemogokan Sebda Djawa Tengah"; *Locomotief*, 19 Apr. 1952.
[46] *Java Bode*, 24 Apr. 1952.
[47] *Locomotief*, 2 Aug. 1952.
[48] *Java Bode*, 24 Apr. 1952.

workers had every reason to be aggrieved, because replacement labourers were paid the Rp.4.50 a day demanded by Sebda.[49]

The Central Java dispute was managed by the Sebda central executive. It had put its demands to the governor in letters and in face-to-face meetings, had organised branches to pressure him, and had negotiated directly in April before calling the strike. It was not until it met the minister of the interior in Jakarta on 2 May that it realised the governor was acting under his explicit instructions. Dismayed, it believed that it had no option but again to turn to Sobsi for support.[50]

After discussions with Sebda, the Sobsi central bureau formulated a compromise. In what it called a "goodwill" package it urged the governor of Central Java to pay day-wage workers a rice allowance of Rp.1.25 from 1 January to 1 May, re-employ all strikers, and enter into negotiations with Sebda on all other issues. The governor agreed to a rice allowance but refused the other two items.[51] On 12 May he issued instructions that all strikers who had not re-registered for work should be dismissed. Sobsi again sent a delegation to ask him to re-employ all strikers. He responded that they would be re-employed only if there was a shortage of labour in the future, a highly unlikely event in Central Java.[52] On 22 May Sobsi took up the issue directly with the minister of the interior, but he made it clear that he fully supported the governor.[53]

On 17 May, having received approval (and the necessary additional funds) from Jakarta, the governor of Central Java announced that the minimum wage for day-wage labourers in Central Java would be increased from Rp.3.50 to Rp.4.50, backdated to 1 January, and that those paid between Rp.3.50 and Rp.4.50 would receive an increase of 75 cents, to a minimum of Rp.4.50. Overtime would in future be paid at 150 per cent of normal rates and 200 per cent on official holidays. The wages and conditions of day-wage labourers

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[49] *PI Aneta*, 24 and 29 Apr., 21 May 1952; "Laporan Singkat tentang pemogokan Sebda Djawa Tengah"; *Locomotief*, 28 Apr., 2 and 21 May 1952; *Java Bode*, 12 and 15 May 1952.
[50] *Trompet Masjarakat*, 17 May 1952.
[51] "Laporan Singkat tentang pemogokan Sebda Djawa Tengah".
[52] *PI Aneta*, 21 May 1952.
[53] "Laporan Singkat tentang pemogokan Sebda Djawa Tengah".

employed by government authorities in Central Java were now in line with those established for day-wage labourers in West Java.

The Sebda campaign forced the government to increase the minimum wage of day-wage labourers and to provide them with a modest rice allowance. But the cost was high. Almost all day-wage workers who participated in the Central Java strike lost their jobs.[54] Cash-strapped city councils took the opportunity to reduce their workforces by employing a smaller number of cheaper contract labourers. In Magelang, for example, 283 day-wage workers were sacked and replaced by 150 contract labourers; and in Surakarta older workers who had gone on strike were sacked and replaced by younger and cheaper labourers.[55] Sacked workers did not always go quietly. In Surakarta they held on to most of the tools and equipment, refusing to hand them over to their replacements.[56] Many who lost their jobs were forced to move a long way away to get alternative work, and those who were eventually re-employed were treated as new workers, with no guaranteed hours of work or overtime. Some re-employed workers were moved from their normal place of work, presumably to avoid them influencing the new workforce. All those re-employed were warned against membership of Sebda.[57]

Although the Central Java strike had been costly for over 7,300 workers, in an internal report Sobsi described it, and the earlier dispute in West Java, as a great victory for both workers and Sobsi itself. It stated that "For the first time the Sobsi central bureau had directly led a broad strike to improve the livelihood of public sector workers" and argued that Sobsi had gained valuable experience and improved its standing among government workers and their unions. It also believed that its campaign had increased its understanding of

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[54] One newspaper reported that on 20 August the offices of the Semarang City Council overflowed with hundreds of people, mostly former labourers who had lost their jobs after the strike. They thought that Sobsi was going to have a discussion that morning with the council, but this did not occur as the mayor stated that the issue was closed. Police and military dispersed the crowd peacefully. *Locomotief*, 21 Aug. 1952.

[55] *Harian Rakjat*, 11 Sept. 1952.

[56] "Strike of Provincial Municipal Government Workers", n.d., p. 3, ICFTU Archive, Inv. no. 3435 (a), IISG.

[57] "Resolusi tentang aksi pemogokan Sebda Djawa Tengah", fourth Sebda congress, 3 Oct. 1952, in Arsip Sek Neg Kab PM, 1950–1959, Jld 2, Inv. no. 1782, ANRI.

public sector workers in the regions and especially the thinking of union leaders.[58]

Despite Sobsi's optimistic assessment, the strike in Central Java demonstrated the weakness of public sector unions when faced with a determined government, especially those whose members were easily replaced. It marked a significant turning point in the attitude of the government to labour activism by its own employees, leading to Prime Minister Wilopo's instructions in June on combating strikes. While it had tacitly acknowledged the justice of Sebda's demands by eventually meeting most of them, its hard line against strikers made clear the limits of permissible action. Future industrial action in the public sector was limited to sit-down stoppages and other short protest actions, with an increased focus on political rather than industrial pressure in order to achieve workers' goals.

Sebda, SBPU and Sarbuksi

There was a tone of despair in the Sebda central executive's report to its fourth national congress in October 1953, as it reflected on the weakness of the union in the face of a determined government. It acknowledged that the Central Java strike had failed in part because the union's organisation was weak and had minimal strike funds and was concerned that mass dismissals had resulted in many workers distancing themselves from the union. It urged branches to establish hostels for those who had lost their jobs and promised central support for branches involved in the strike in order to help them overcome workers' fears.[59] While acknowledging that times were difficult, it remained determined to oppose discrimination between permanent and day-wage workers and reiterated that its demands were fair and reasonable. Optimistically, it described the failure of the strike as a "tactical retreat".

Sebda's efforts to strengthen its organisation foundered on its struggle to get impoverished workers to pay fees. In 1953 it received only 10 per cent of the funds it should have received and stated

[58] "Masalah upah buruh harian Djawa-Barat. Keadaan seseudah putusan Kabinet tgl 25-4-1952".
[59] "Laporan Umum Dewan Pimpinan Pusat Sebda kepada Konggres Sebda ke IV, pada Tanggal 26 September 1953 s/d Tg 4 Oktober 1953 di Malang", in Arsip Sobsi, Inv. no. 457, ANRI.

that it was unable to investigate many industrial issues or establish branches outside Java and was forced to sell its magazine to members at a high price instead of subsidising a larger circulation at a lower price.[60] It lamented that branches were not just failing to collect fees and report the state of their finances but were also neglecting to take out subscriptions to its magazine, *Suara Sebda*. As a result, the magazine appeared irregularly, and not at all in 1953.[61] The parlous state of union finances in 1953 saw Sebda unable to pay for a desperately needed new duplicating machine or to organise celebrations for its sixth anniversary, and delegates to its congress had to pay their own travel and accommodation expenses.[62]

Despite the failure of the 1952 strike and ongoing organisational and financial problems, Sebda, the SBPU and Sarbuksi continued to work together in campaigns to increase the minimum wages for day-wage and casual workers and to end the use of contract labourers. They demanded the conversion of long-term casual day-wage labourers into permanent workers, in order for them to have a social wage, including in-kind payments, child and spouse allowances and payment for medicines, as well as paid annual leave and better housing.[63] They were incensed by the 1952 changes to the PGP that provided a 20 per cent wage increase for *pegawai negeri* but nothing for casual day-wage workers. As late as the end of 1955 it was common for labourers still to be paid as little as Rp.4.50 a day, or no more than in 1952. A resolution of the Cianjur branch of the SBPU summed up the feelings of members:

> At this time all Public Works Department workers are suffering greatly because of workplace issues. Wages no longer keeping up with the cost of essential goods for daily life and reduced by the repayment of Lebaran advances, the lack of regulations to protect them, the lack of a social wage, employment of day-wage workers constrained by frozen budgets, and many other issues.[64]

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[60] All unions published their magazines and brochures at a loss. Even though they charged for magazines, the cover price was low. See *Mengatasi Keuangan Dalam Serikat-Buruh* (Jakarta: Sobsi, 1956), pp. 17–8.

[61] "Laporan Umum DPP Sebda kepada Kongres Sebda ke-IV, 26 Sept-4 Okt 1953 di Malang", p. 8.

[62] Ibid., pp. 28–9.

[63] See the report on the first conference of Sebda Kotapradja Jakarta, Sept. 1952, in *Harian Rakjat*, 2 Sept. 1952; and *Pikiran Rakjat*, 2 July 1954.

[64] Resolution of SBPU Cianjur branch, 16 Nov. 1953, in Arsip Sek Neg Kab PM, 1950–1959, Jld 2, Inv. no. 1782, ANRI.

In July 1954 pressure from the three unions forced the government to make some improvements to the wages and conditions of centrally employed day-wage workers. In a recognition that workers employed by provincial councils and municipal governments were particularly hard hit because of centrally imposed budget cuts, the central government also instructed provincial governors to create wages commissions to establish fair wages for day-wage workers. Unions and labour union federations were to be represented on these commissions, with the government anticipating that outcomes would vary from province to province depending on the cost of living. Governors were slow to respond to the instructions, conscious that their budgets were already strained, but union campaigns eventually forced them to recognise that they had to make at least minimal increases in day wages.[65]

Sebda, the SBPU and Sarbuksi were further incensed when revisions to the PGP in 1955 again only increased the wages of *pegawai negeri*. They pointed to the injustice of stagnant wages for the lowest-paid workers when the cost of living was constantly increasing. Again, their pressure was partially successful. Gradually local authorities and regional managers of the Public Works Department agreed to small increases in the wages of temporary and casual workers.[66] In November 1955 Sebda commended the East Java provincial government for increasing the daily wage of its workers by Rp.1 and urged the central government to follow its example because "it is no longer possible to defend the suffering of day-wage workers". The wages of day-wage workers, it argued, were far too low to cover even the basic necessities of life, and the consequences of this were affecting the way they worked: "there are day-wage workers who are not carrying out their duties fully, leaving their place of work in order to try to add to their income, asking to leave their work in order to try to get a higher wage elsewhere and so on."[67]

Tens of thousands of people working for government departments and autonomous government regions had been employed as casual day-wage workers for years and in some cases decades. Sebda,

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[65] See, for example, West Java district Serikat Buruh Postel to governor of West Java, 29 Nov. 1954, in Arsip Sek Neg Kab PM, 1950–1959, Jld 2, Inv. no. 1782, ANRI.

[66] See *Harian Rakjat*, 16 Dec. 1956; 17 Jan. 1957.

[67] DPP Sebda to Minister of the Interior, 8 Nov. 1955, in Arsip Sek Neg Kab PM, 1950–1959, Jld 2, Inv. no. 1782, ANRI.

the SBPU and Sarbuksi realised that the best way to provide greater security was for them to be made permanent, and as many as possible converted to *pegawai negeri*. The PGP 55 (the PGP as revised in 1955) opened the possibility for central departments and autonomous government regions to reclassify workers, provided they stayed within their budgets. The three unions campaigned individually and jointly, including threatening industrial action.

The Sebda central executive proudly informed delegates to its fifth congress in October 1956 that since the campaign began in 1953, some 10,000 workers had been given permanency or their status changed to *pegawai negeri*.[68] For example, in mid-1954 the Surabaya municipal council converted 900 day-wage workers to permanent workers. All had worked with the council for over 20 years.[69] In December 1956 the Central Java branch of the SBPU negotiated the reclassification of over 1,000 day-wage workers to *pegawai negeri*.[70] In July 1956 Sarbuksi negotiated an agreement with the Forestry Department to increase the pay of about 22,000 day-wage workers at least one rank, and in January 1957 the SBPU Central Java branch reached agreement with the Public Works Department to increase the wages and improve the rank of 14,000 workers.[71] The price of these gains, though, was that provincial governments, municipal councils and government departments reduced the size of their workforces in order to keep within their strained budgets.

As a consequence of the government's response to the 1952 Sebda strike, Sebda, the SBPU and Sarbuksi focused on improving workers' conditions through regular negotiations with department heads in Jakarta and with local managers. They backed this with frequent short stoppages in order to impress on officials that they were not totally cowed by the hard-line approach of the government to public sector workers. In April 1953 the SBPU reported that it had been involved in 17 low-level industrial actions in its first two and a half years, all of which it claimed had been successful.[72]

An unusually lengthy dispute with the West Java section of the Public Works Department in July 1955 illustrates the SBPU's determination to fight for the interests of low-paid workers. In November

[68] *Bendera Buruh*, 1 Nov. 1956, pp. 2–3.
[69] *Trompet Masjarakat*, 26 July 1954.
[70] *Harian Rakjat*, 10 Dec. 1956.
[71] *Harian Rakjat*, 20 July 1956; 17 Jan. 1957.
[72] *Harian Rakjat*, 1 Apr. 1953.

1954 the union had demanded that 4,800 day-wage labourers be converted into permanent workers, 500 of them be promoted to a higher rank, and all workers receive a 50 per cent wage rise. After six months of ignoring the demands, the department's West Java managers finally replied in June that they could only afford a 20 per cent wage rise and the reclassification of 50 workers. The offer was rejected by the union as unfair, "because it is not based on the skills and extent of work but much more on the priorities of a junta and clique system". Sebda then announced that it would organise rolling stoppages.[73]

On 11 July, 1,293 of the 6,000 workers in Public Works Department units in West Java stopped work for four hours. In Bandung many joined in a demonstration outside the department's head office. The Public Works Department responded by sacking the strikers for neglecting their duties. The SBPU accused it of using the strike as an excuse to sack union activists and over the next two months met with the minister of the interior a number of times in an attempt to get the sackings reversed. It was not until mid-September that the minister agreed that all but 56 of the strikers would be re-employed, although with a reduced rank. The union continued to protest, eventually arguing its case before parliament's labour affairs committee. Its perseverance paid off. The minister provided an additional Rp.70 million to the West Java Public Works Department to enable it to increase wages beyond 20 per cent, and by the end of November all sacked strikers were re-employed.[74]

The extent of this SBPU dispute was unusual. But day-wage workers repeatedly showed that they were not passive in the face of perceived injustice. They particularly objected to discrimination each year at Lebaran. On the morning of 18 May 1954, three weeks before Lebaran, 100 day-wage workers employed by the Surabaya Public Works Department gathered in its yard at Gresik, a coastal town about 25 kilometres from Surabaya, and refused to begin the day's work. When foremen asked them what they were protesting about, they stated that they wanted to know why *pegawai negeri* received a Lebaran gift but they were only given an advance that had

[73] *Harian Rakjat*, 9 July 1955; *Merdeka*, 12 July 1955.

[74] The strike and subsequent events were covered in detail in *Harian Rakjat*, 20 and 30 June; 9, 18, 22, 25 July; 6 and 8 Aug.; 2 and 16 Sept.; 18 Oct.; and 30 Nov. 1955.

to be repaid. This, they said, was unfair, pointing out that *pegawai negeri* could not work without them. They also demanded to be paid on time instead of often having to wait five or six days. The deputy mayor of Gresik was called to the scene. He promised to raise the issues with Sebda and the government and urged the workers to start work. They refused to move, clearly dissatisfied with official platitudes. It was only after a Sebda leader came from Surabaya and promised to take up their grievances with the government that they agreed to start work for the day.[75]

Sebda, the SBPU and Sarbuksi also ensured that agreements were fully implemented, overtime paid promptly and basic health services provided. They insisted that day-wage labourers should no longer be treated as they had been under colonial rule but with dignity and due regard for their health and welfare. They were particularly concerned that many managers in the Public Works Department, provincial governments and municipal councils had little regard for the workers' plight. In November 1953 the Cianjur branch of the SBPU formally complained about the arrogance of local managers towards ordinary workers. A resolution sent to the head of the Public Works Department in Jakarta, to ministers and to members of parliament argued that attitudes had changed little since colonial days:

> Old attitudes formed under colonial domination are still prevalent. Their impact is felt by low-level workers. Bureaucratic-autocratic department heads and others who act in similar unfair ways do not question these attitudes. The policy of these department heads is frankly subservient to the foreign monopoly capitalism that is increasing the deep poverty of workers and people.[76]

Many of the issues on which branches campaigned were small and localised but reflected the poor working conditions of day-wage labourers. In May 1955, for example, the Central Java branch of the SBPU negotiated an agreement with the province's Public Works Department whereby all workers would be provided with the equipment needed for their jobs instead of often having to bring their own tools. They would also be provided with hats; those who worked on

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[75] *Trompet Masjarakat*, 22 May 1954.

[76] "Pernjataan Tentang Protes Pimpinan Daerah IV Djawa-barat terhadap surat edaran sdr Sugirwo kepala Djawatan P.U. Daerah Tjiribon", in Arsip Sek Neg Kab PM, 1950–1959, Jld 2 Inv. no. 1782, ANRI.

the roads would be provided with work shoes; and truck, jeep and car drivers would be provided with uniforms.[77] In the same month the Sebda Medan branch demanded that the Medan municipal council include improvements to the working conditions of day-wage labourers in its 1956 budget. These included shoes for those who repaired roads or cleaned streets, raincoats for outdoor workers, and special clothing for welders and those who worked on lathes.[78] In June 1956 the SBPU persuaded the minister of the interior that workers in all autonomous regions should be provided with work tools and appropriate protective clothing such as shoes for those who worked on the roads.[79] In December 1956 the Malang branch of Sebda negotiated meal money for council workers in the town market who had worked four hours overtime continuously since 1952. It also negotiated for them to receive 5 per cent of market licence fees on top of their basic wages.[80]

In December 1956 and January 1957 Sebda, the SBPU and Sarbuksi held national congresses that reflected on their achievements since independence and established agendas for the years ahead. Central executives reported significant improvements in wages and conditions as a result of union pressure but acknowledged that these had been more than offset by increases in the cost of living. Much remained to be done, and branch leaders were urged to redouble their efforts to increase workers' commitment.[81] Sebda's secretary-general spoke of a shortage of cadres and the importance of strengthening training programmes. The major constraint was a lack of money. The central executive was particularly concerned that members lacked knowledge about Sobsi and stated that it wanted to counter gossip it often heard about the union, such as "Sebda is only capable of making demands" and "Sebda is only capable of strikes."[82] It was determined to redouble its efforts to show the success of its socio-economic work as well as the ways in which it had taken responsibility to improve the functioning of departments. It demanded that

[77] *Bulletin Sobsi*, 15 May 1955, p. 7.
[78] *Sebda Bulletin*, May–June 1955, p. 5, in Arsip Koti, 1963–1967, Inv. no. 1221, ANRI.
[79] *Harian Rakjat*, 19 June 1956.
[80] *Trompet Masjarakat*, 22 July 1954.
[81] See *Bendera Buruh*, 26 Dec. 1956, for a report on the Sarbuksi congress; and *Bendera Buruh*, 23 Jan. 1957, for reports on the SBPU and Sebda congresses.
[82] S. Haryowisastro, "Mari Kita Bekerdja dan Beladjar", *Bendera Buruh*, 26 Dec. 1956, p. 2.

the government improve services, such as providing drinking water; cleaning towns; improving footpaths, roads and bridges; and improving housing. It also demanded that the government employ its own workers instead of outsourcing, find new sources of income that did not impose a burden on the people, and increase subsidies to the autonomous regions.[83]

A year later the East Java branch of Sebda reported its failure to overcome a long-standing sense of powerlessness among ordinary workers. Workers accepted the need for united action in principle but were uncertain of the possibility of success, with many saying, "Of course we are able to accept this in our head, but our heart still feels heavy." Many branch leaders reported that they had been trying to instil a sense of unity of purpose but often received a negative reaction when they visited people in their homes.[84] Sarbuksi leaders expressed similar concerns, lamenting the lack of a sense of urgency among branch officials and branch inactivity.[85]

The Railways

The state railways was the largest rail network in colonial Java. There were also 11 private rail and tramway networks in Central and East Java, primarily linking the port cities to the hinterland. On the transfer of sovereignty, the operations and personnel of the private rail and tramway networks were absorbed into the state railways but the physical network and rolling stock continued to be owned by the private companies that were paid an annual rent for their use. These assets were finally nationalised in early 1958.[86] The one remaining privately owned railway after independence was the Deli Railway Company (DSM), which retained a monopoly of rail, telegraph and telephone services on the east coast of Sumatra. It continued to operate, in part because the state railways had no presence in Sumatra and in part because of pressure from the large plantation companies

[83] "Menjoroti Beberapa Segi Persoalan Kongres Besar Sebda ke V", *Bendera Buruh*, 1 Nov. 1956, pp. 2–3.
[84] *Bendera Buruh*, 30 Jan. 1958, p. 4.
[85] *Bendera Buruh*, 15 Oct. 1957, p. 3.
[86] In 1951 the railways employed 73,642 people, of whom 6,675 were administrative workers, 36,210 worked in the railway workshops, and 28,720 were line personnel such as drivers, firemen and conductors. *Antara*, 7 May 1951, in *Situasi Perburuhan*, Apr. 1951, p. 48.

for whom the railway system was a vital link in the export of their products. They much preferred to continue to deal with a Netherlands-owned company than an entity owned by the Indonesian state. DSM was also nationalised in 1958.

After independence there was strong competition in the railways between the Sobsi-affiliated SBKA and the PBKA. The SBKA was formed in the republic during the tumultuous months after the surrender of Japanese forces in August 1946. The PBKA had its origins in the Serikat Sekerja Kereta Api, formed in May 1948 in Bandung, then Dutch-controlled territory, by men who—while sympathetic to the SBKA—knew that the Dutch would not permit them to form a branch of a republic union. The pre-war Persatuan Pegawai Spoor dan Tram (Union of Railway and Tramway Workers, PPST) still had an operating branch in Dutch-controlled Surabaya; but in March 1949, with negotiations under way between the Netherlands and the Republic of Indonesia, it merged with the Serikat Sekerja Kereta Api (SSKA) to form the PBKA.[87]

Many leaders of both unions, especially the SBKA, had been leaders of the PPST in the 1930s, or its rival for a brief period, the more radical Persatuan Buruh Kereta Api Indonesia (Union of Indonesian Railway Workers, PBKI).[88] They were themselves railway workers, or former railway workers, prior to becoming full-time union officials. The chairman of the SBKA, Djoko Sudjono, had been an executive member of the Surabaya branch of the PNI, a member of the executive of the Surabaya-based OJS Bond in the early 1930s, and chairman of the short-lived PBKI. First and Second Secretaries Singgih and Supardi, Treasurer Wiraatmadja, and central executive member Asmodihardjo had all been prominent members of the PPST. The SSKA was also formed by workers in the colonial state railways, men such as Zulkifli and Suhirman, the former a train controller in Jakarta and the latter a stationmaster. The one exception to this pattern was Kusna, who was chairman of the SSKA/PBKA

[87] For a discussion of the formation of the SBKA and its activities during the revolution, see Jafar Suryomenggolo, *Organising under the Revolution*. For an extensive discussion of the SBKA and PBKA, see Elliott, "'Bersatoe Kita Berdiri Bertjerai Kita Djatoeh'", pp. 35–93. See also Sudarsono, "Sedjarah Ringkas Persatuan Buruh Kereta Api", *Obor*, Aug. 1953, p. 5.

[88] See Ingleson, *Workers, Unions and Politics*, pp. 138, 237; and *Suara SBKA*, Mar. 1955, p. 3.

from its inception through to the 1960s. Born in 1911 in Bandung, West Java, Kusna was a Netherlands-educated lawyer who returned to Bandung in 1947.[89]

Relations between the two unions were always tense and sometimes hostile. The PBKA was a member of the Bandung-based federation of public sector unions, BPSS, and later the PSI-linked KBSI. There was strong competition in the union's leadership between a PSI group and a Partai Buruh group, with the latter pushing an amalgamation with the SBKA.[90] Attempts to amalgamate the two unions in 1951, in 1953 and again in 1955 failed. While both were conscious of the potential advantages of a single industry union, the PBKA walked away from a merger because the SBKA insisted that an amalgamated union join Sobsi. Kusna and the PSI group stated that they were non-Communist rather than anti-Communist but were strongly opposed to Sobsi's close links to the PKI and to its membership of the WFTU.[91]

PBKA leaders agreed that labour unions were inevitably concerned with political issues but argued that they should be independent of political parties. Their reading of the history of the Indonesian labour movement was that close entanglement with political parties had been disastrous for workers:

> [A]fter studying the experience of earlier years, that shows that the fracturing of a union is mostly the result of political party influence within it, the PBKA has taken a firm and clear position to be free from the influence of any political party. The PBKA does not want to be exploited by a political party because we know that the language of political action is very dangerous for the health of our organisation.[92]

The PBKA was one of the strongest supporters of the KBSI, with its chairman, Kusna, also deputy chairman of the federation. Every issue

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[89] On the background of the SBKA and SSKA leaders, see Elliott, "'Bersatoe Kita Berdiri Bertjerai Kita Djatoeh'", pp. 35–42. For a brief biography of Kusna, see Jafar Suryomenggolo, *Politik Perburuhan era Demokrasi Liberal 1950an*, pp. 127–9.
[90] There is an extensive discussion of the competition between the PSI group and the Partai Buruh group in Amembassy Jakarta, Despatch no. 283, 10 Nov. 1955, in Department of State, Indonesia Labor Reports 1955–1956, NARA.
[91] See "Selamat Datang", *Obor*, Mar. 1954, pp. 4–6.
[92] "Serikat Buruh harus bebas dari Pengaruh Partai Politik", *Obor*, Mar. 1954, p. 9.

of its magazine contained at least one report on the activities of the KBSI, and many contained longer articles on PBKA support for the federation. The PBKA constantly argued, though, that while the KBSI was involved in political issues it was an independent organisation.[93]

PBKA leaders' opposition to labour unions being connected to political parties extended to criticism of the growing influence of political parties in government departments. The leaders accused the political parties of creating a "clique system" that not only reduced the effectiveness of unions but also severely damaged the economy. They were vocal about growing corruption within government departments, which they described as resulting from people obtaining jobs or promotions through party connections.[94] They argued that the PBKA was based on national principles, supported all Indonesian governments in a constructive way and, unlike the SBKA and Sobsi, was not trying to create social divisions.[95] While the PBKA asserted that it was no less concerned than the SBKA about the welfare of lower-level railway workers, its leaders' speeches and articles in *Obor* were devoid of the language of class struggle. As political campaigning for local, national and regional elections intensified, the PBKA warned members to be wary of propaganda and high-sounding promises, with Sobsi and the PKI clearly the targets.[96]

The SBKA rejected PBKA assertions that it was a tool of Sobsi and the PKI. It ridiculed the PBKA claim of independence from any political party, arguing that it was a reactionary plaything of PSI politicians.[97] Magazine articles, cartoons, leaders' speeches and circulars to branches sustained a constant criticism of the PBKA, and of Kusna in particular. The SBKA magazine frequently printed cartoons lampooning the PBKA as the enemy of workers. In May 1955, with campaigning for the national elections in full swing, a front-page cartoon showed a group of strong, aggressive-looking workers facing down the small figure of Kusna holding a large bag of money and protecting monopoly capitalism.[98]

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[93] See pre-advice of Kusna Puradiredjo to the fourth PBKA congress, "Pendidikan Guna Menambah Pengetahuan Didalem Lapangan Perburuhan", *Obor*, Nov.–Dec. 1955, pp. 6–7.
[94] "Nasib Pegawai …", *Obor*, July 1954, p. 3.
[95] "Pengumuman PB PBKA no 2/1/55", *Obor*, Dec. 1954, pp. 3–4.
[96] Editorial, *Obor*, July 1954, p. 2.
[97] *Suara SBKA*, May 1955, pp. 7–9, 12.
[98] *Suara SBKA*, May 1955, p. 1.

It is impossible to know the true membership of either the SBKA or the PBKA, but both were considerably more successful than most unions in converting nominal members into financial members because the Railways Department deducted union dues from workers' pay. Like all unions they exaggerated membership figures for public consumption, although because fees came via the Railways Department, unlike most unions they knew their financial membership. The SBKA regularly claimed a membership of 90 per cent of railway workers, and the PBKA regularly claimed a majority of workers.[99] The best estimate was that the SBKA was twice the size of the PBKA.[100]

Like all Sobsi unions, "consolidation money" received after successful industrial campaigns was a significant source of funds for the SBKA. In January 1956 its magazine published an article titled "What Is Consolidation Money For?" that addressed what were obviously complaints from some members: "There are many members who mock the SBKA or accuse it of constantly making demands or begging when a railway worker gets a wage rise, a Lebaran payment or a bonus or some such."[101]

Critics were reminded that membership fees were not enough to create a strong organisation. Non-members as well as members were expected to contribute to the "consolidation fund". Railway workers, the SBKA stated, should contribute willingly and with a sense of responsibility to the union. The amount collected was substantial. In the six months May to November 1955 the SBKA central executive received Rp.2,872.27 from 55 branches, ranging in size from Rp.5.80 to Rp.237.21, which indicates a total income from this source of Rp.41,031 at the branch level.[102]

The financial stability of the SBKA and the PBKA enabled long print runs of their magazines. Both had enough money to purchase their own headquarters: in Jakarta for the SBKA (in order to be near Sobsi headquarters) and in Bandung for the PBKA (in order to be near the head office of the railways). Both had extensive branch networks in stations and workshops. The PBKA attracted a higher proportion of administrative and other better-paid workers than the

[99] See, for example, *Suara SBKA*, July 1954, p. 13.
[100] See Ulriksson, "Memorandum of Labor Developments in Indonesia during 1953", in ICFTU Archive, Inv. no. 3435 (a), IISG.
[101] "Apa gunanja Sokongan Konsolidasi", *Suara SBKA*, Jan. 1956, pp. 16–7.
[102] *Suara SBKA*, Jan. 1956, p. 15.

SBKA, though given its membership of about 18,000 in the mid-1950s the vast majority of members must have been workshop and line personnel. A significant number of members who were administrative workers, though, would have made it easier for the PBKA to sustain its organisation at the branch level. SBKA central leaders were concerned about the union's dependency on line personnel, such as engine drivers, conductors and firemen, for the management of branches. These people were frequently away from their home bases, making it harder for branch executives to meet regularly and limiting the amount of time they could devote to the union.[103]

Despite the concerns of SBKA central leaders about the capability of branch officials, the union's success in recruiting and retaining members owed much to branch officials' ability to address local grievances and provide support to workers in times of need. Branches frequently advocated for members on issues such as pensions, promotions, back pay, permanency of employment and arbitrary treatment. *Suara SBKA* proudly reported many of these interventions in order to show the benefit of the union for ordinary workers. In 1954 the Weleri station branch, in Pekalongan, Central Java, intervened to get back pay of Rp.2,010 for a member who had been dismissed after being ill for a year and a half.[104] In 1955 the Sidoarjo branch in East Java successfully fought a campaign to get back pay owed to 39 workers.[105] In April the same year the Blitar branch in East Java successfully persuaded railways management to convert 20 long-serving day-wage labourers to the status of *pegawai negeri*.[106] In 1956 the widow of a railway worker approached the union because she had not received the pension due to her for the five years since the death of her husband. The SBKA branch took up her case with the Bandung head office of the railways and succeeded in getting her the Rp.13,443.92 she was owed.[107] In another case in Surabaya the SBKA forced the Railways Department to make a pension payment to a worker that was ten months in arrears.[108]

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[103] *Suara SBKA*, Dec. 1954, pp. 13–5; Moh. Rawi, "Praktek Rapat2 Peridik Dikalangan SBKA", *Bendera Buruh*, 30 Mar. 1959, p. 2.
[104] *Suara SBKA*, Sept. 1954, p. 12.
[105] *Suara SBKA*, Feb. 1955, p. 25.
[106] *Suara SBKA*, Apr. 1955, p. 10.
[107] *Suara SBKA*, Aug.–Sept. 1956, p. 32.
[108] *Suara SBKA*, Aug.–Sept. 1956, p. 30.

The SBKA also supported members when they were faced with disciplinary action or legal action connected with their work. In 1954, for example, a worker in Jakarta was accused of fraud and dismissed. The SBKA took his case to court, which found that there was no evidence to sustain the claim. The worker was reinstated.[109] In April 1956 a conductor in Yogyakarta was summoned to court because a passenger he had forcibly removed from a train for not having a ticket had fallen and as a consequence been hospitalised for two months. The Yogyakarta branch of the SBKA provided legal representation. It proudly informed members that although the conductor faced the prospect of jail for up to two years, because of SBKA support he was only fined Rp.75.[110]

The PBKA argued that it also took up workers' grievances with railway management, but without making a noise about it: "Constant work and not too much talk" was its slogan.[111] The PBKA magazine published much less information on local matters than its SBKA counterpart, and there were fewer newspaper reports on its activities. It is difficult to get a clear picture of the union at the branch level, with only occasional insights reported in *Obor*. In 1954, for example, 74 workers at a railway warehouse in Bandung approached the PBKA complaining that they were paid only Rp.4 a day even though the minimum wage for day-wage labourers in West Java had been increased to Rp.4.50 in October 1951. After representations from the PBKA, railway management agreed to increase their daily wages to Rp.4.75, backdated to March. Just before Lebaran at the beginning of June workers requested their back pay, free transport home for Lebaran and permanent employment. Soon after, railway management stated that they were contract labourers and therefore not eligible for permanency or free transport. Just after Lebaran they agreed to an inquiry into the issue, but before it began the head of the warehouse informed workers that they would lose their jobs at the end of September. The PBKA protested, and eventually railway management agreed to reclassify the 74 workers as day-wage workers on local rates and entitled to free transport.[112]

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[109] *Suara SBKA*, Sept. 1954, p. 12.
[110] *Suara SBKA*, June 1956, p. 115.
[111] "Sudah Gerbang", *Suara SBKA*, Jan. 1955, p. 20. The SBKA responded by stating that the big difference between it and the PBKA was that the "PBKA has not once engaged in struggle".
[112] "Perdjoangan Berhasil Gemilang", *Obor*, Oct. 1954, p. 3; *Suara SBKA*, June 1957, p. 5.

The two unions took a markedly different approach to socio-economic activities, exemplified by their attitudes to the Badan Sosial Pusat (Central Social Body, BSP). The BSP was established in 1950 by the Railways Department to bring together a range of small mutual benefit and cooperative societies, many of which traced their origins to the 1930s. It provided the capital to establish the venture, and its board was composed of members from the Railways Department and the PBKA. It is unclear whether the SBKA rejected an invitation to nominate members to the board or whether it was excluded from involvement by the Railways Department. It was reported that the SBKA sought to establish a similar organisation with the same rights as the BSP but that the Railways Department refused on the grounds that the BSP was open to all railway workers.[113]

Members paid a joining fee and a monthly subscription together with voluntary savings through direct wage deductions. Interest was paid on savings, and members could borrow at cheaper rates than elsewhere. The larger railway stations and workshops throughout Java had full-time BSP consuls, with the Railways Department paying 10 per cent of their wages and additional allowances. The BSP funded mortgages, operated an accident and death insurance scheme, distributed textiles and rice at government-subsidised prices, and operated consumption and credit cooperatives along the railway network. It owned rice mills and a number of factories that made shoes, textiles and soap for sale in the cooperatives.[114] The BSP was closely associated with the PBKA, and the latter used the former to promote itself at the expense of its rival, the SBKA. By 1959 the BSP claimed that 30,000 of the 80,000 railway workers had joined, with the SBKA admitting that many were SBKA members.[115]

Many government departments and state-owned enterprises created consumer, credit and savings cooperatives for their employees, with membership fees deducted directly from their wages. Sobsi was strongly opposed to these cooperatives, arguing that many of its

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[113] Amembassy Jakarta, Despatch no. 141, 2 Oct. 1956, p. 9, in Department of State, Indonesia Labor Reports 1955–1956, NARA.

[114] The US International Cooperation Agency provided US$436,000 in cash, equipment and expertise to support the BSP's factories. See Netherlands labour attaché report, May 1956, in Ministerie van Buitenlandse Zaken, 1955–1964, Inv. no. 12313, NADH.

[115] *Suara SBKA*, Sept. 1954, p. 12; Jan. 1955, p. 15; Mar. 1955, p. 15; S.A. Priddle, British labour attaché for Southeast Asia, "Report on a Visit to Indonesia, May 12–14 1959", in Lab 13/1466, NAB.

proponents were irritated by labour unions and did not understand the place of cooperatives in a semi-colonial society. It was the government's responsibility, Sobsi said, to distribute essential goods at cheap prices to its employees and it was an illusion that cooperatives would solve the difficulties faced by workers: "Unions must oppose attempts to use *pegawai* cooperatives as a kind of mask for breaking workers' unity or restricting the role of unions and freezing or in any way minimising demands on government or employers to improve the livelihood of workers."[116]

In keeping with Sobsi policy, the SBKA was a constant critic of the BSP, arguing that union involvement in mutual benefit societies in partnership with employers would blunt the class struggle. In its view, mutual benefit societies must be owned and managed by workers themselves. The SBKA accused the BSP of discriminating against SBKA members in making loans and of making it difficult for SBKA members to withdraw their funds.[117] Despite these concerns, the SBKA realised that the BSP was attractive to railway workers and had considerable propaganda value for the PBKA. In April 1952 it tried to counter the BSP by establishing its own mutual benefit foundation, the Yayasan Dana Hindromartono, to provide death and accident insurance to members. Named after the pre-war leader of the PBST who was killed during the early months of the revolution, the Yayasan Dana Hindromartono quickly became a substantial organisation. By the end of 1954 it claimed a membership of 27,694 in all but 17 of the SBKA's 128 branches, or about half of the total union membership. In its first three years it paid out Rp.945,425 in death and accident benefits and had a healthy balance sheet of Rp.460,588.[118]

The PBKA-linked BSP was popular with both PBKA and SBKA members but did not persuade the latter to change union allegiance. The SBKA was more vocal in confronting railway management and

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[116] Sobsi central bureau, "Sikap Sobsi tentang koperasi pegawai negeri", *Bulletin Sobsi*, 20 June 1955, pp. 9–10.

[117] See, for example, an article on the BSP at Malang in *Suara SBKA*, Mar. 1957, p. 19. The SBKA claimed that the Malang BSP allowed PBKA members to borrow Rp.300 with repayments over ten months at a low interest rate, while those who were not PBKA members were only able to get a distribution of subsidised rice.

[118] "Perkembangan Dana Hindromartono selama tiga tahun", *Suara SBKA*, Apr. 1955, pp. 4–6.

the government and constantly created the impression that the PBKA was simply following its lead. Branch leaders of the SBKA were generally more aggressive than those of the PBKA in defending workers' rights and successfully negotiating local issues. This may have been the downside of the fact that local PBKA leaders often held higher-level jobs and were themselves in supervisory positions. Status divisions in the railways were strong, and the SBKA emphasis on class struggle struck a responsive chord with low-level workers.

Both the SBKA and the PBKA were in constant discussions with railway management over wages and conditions. Both wanted to end regulations inherited from the colonial state railways, ranging from the large gap between low- and high-paid workers to excessive working hours, poor overtime money and authoritarian disciplinary regulations. They were particularly concerned about the incorporation of employees of the private railway networks as part of the settlement with the Netherlands. This involved agreement on ranking lists incorporating workers from the different systems, and ensuring that wages and pension rights for private railway employees were brought up to the standard of permanent employees of the state railways. Another major issue was compensation for workers who had received no promotion between 1942 and 1950, or who had left the railways to fight against the Dutch.[119] These issues took years to resolve. Both unions were involved in local stoppages, and both organised short strikes as symbolic actions to impress on railway management and government that workers were serious in their demands for better conditions. However, given the government's hard line on public sector strikes, they were forced to rely mainly on political pressure to achieve their goals.

Public sector unions had a much more difficult task than those in the private sector. They were not confronting European managers of foreign companies but an Indonesian government that had defeated the colonial power. Denied access to the dispute resolution system and faced with regulatory restrictions, they were more dependent on persuasion than industrial action. The government was open to their argument that it should set new standards for wage justice and social equity but was constrained by a lack of money. The brief surge in commodity prices after the outbreak of the Korean War in June 1950 was short-lived, and from 1952 the national budget was in deficit.

[119] *Harian Rakjat*, 24 Jan. 1953.

The government responded by restraining public sector wages and reducing the size of its workforce. Anti-Communist political parties and newspapers were concerned that austerity measures, together with the growth of Sobsi unions and Sobsi's attempt to unite all public sector unions, would end in a Sobsi-led national strike. Their fears were unfounded. After the bitter experience of the Sebda strike in April 1952, Sobsi-affiliated public sector unions realised that industrial action had little impact on a determined government. They focused instead on lobbying ministers and departmental heads and exerting pressure through sympathetic members of national and provincial parliaments and municipal councils. This strategy resulted in significant improvements in the social wages of public sector workers, the reclassification of tens of thousands, and the conversion of many thousands more from casual or temporary employment to permanent employment. Public sector unions were also aware of the broader impact of their successes. Private sector unions incorporated many of the social wage improvements in the public sector into their own industrial claims, knowing full well that the government-controlled P4P would use them as a benchmark when ruling on disputes.

6

Plantation Workers

The plantation industry in Java and Sumatra was a critical part of the Indonesian economy, accounting for around one-third of its export income and employing at least 900,000 people. The industry was dominated by foreign companies, primarily Dutch but with a significant number of British and a smaller number of French, Swiss, Belgian and US companies.[1] With a long history of low wages, poor conditions and autocratic management, especially in Sumatra, the plantations were major sites for worker activism and union organisation after independence. The Sobsi-affiliated Sarbupri was by far the largest of the plantation workers unions, with a presence on plantations throughout Java and Sumatra. Sarbupri had at least 12 competitors, but although they slowly eroded its nominal membership, in 1957 it still had the allegiance of at least 50 per cent of the plantation workforce. Sarbupri set the industrial agenda and forced the pace and direction of negotiations with employers, but all unions resorted to industrial action to support their demands in the face of an industry that was reluctant to negotiate with unions or change its colonial-era practices. Extensive government and company records, reports from foreign embassies, long runs of Sarbupri magazines, and extensive newspaper coverage of its activities enables a deeper analysis of Sarbupri than of any other union in the 1950s.

[1] In a speech to the national parliament in December 1956, Sarbupri Secretary-General Suhaimi Rachman stated that there were 1,530 plantations in Indonesia. Of these, 673 were Dutch, 204 British, 45 Belgian, 26 French, 13 Swiss, and 31 owned by companies of other countries. There were also 314 owned by Chinese, 26 by Arabs, and 83 by Indonesian nationals or the state. *Berita Organisasi Sarbupri*, 20 Dec. 1956, p. 2.

Leadership

Sarbupri's national leaders had never worked in the plantation industry. They were full-time union officials, well read on the pre-war Indonesian labour movement as well as the history of labour in the West. Many had been active in the nationalist and labour movements in the 1930s, including membership of the more radical nationalist party Gerindo after its establishment in May 1937. Most were members of the PKI and some members of one of its executive committees.

The chairman of Sarbupri in 1950 was Engkoen Coerdian. Born in 1907, he became a member of the PKI central executive in 1946 and in the early 1950s was a prominent member of Sobsi.[2] The deputy chairman was Ahem Erningpradja, a member of the PKI and a Sarbupri representative in the national parliament. Suhaimi Rachman was the secretary-general through the 1950s and Suparna Sastradirejo second secretary. Born in 1923, before the Japanese occupation Suhaimi worked first as a sailor and then as a clerk with the Netherlands Shipping Company. He was a member of the Serikat Pelayar Bumiputera, the seamen's union established in Jakarta in 1939 by Hindromartono.[3] He was one of the leaders of the strike at the Delanggu sugar factory, Central Java, in 1948.[4] In 1949 he returned to Jakarta, where he helped form a union for hotel and restaurant workers and the Jakarta branch of Sobsi. He was a member of the Sobsi national council in the 1950s.[5] Suparna Sastradirejo was born in 1915. In the 1930s he had been a member of the youth organisation Indonesia Muda and, like so many post-independence union activists, had been active in Gerindo. He was one of the founders of Sarbupri and was editor of its magazine *Warta Sarbupri* until appointed to the Sobsi central executive in January 1955.

The only woman with a prominent position in the national leadership was Setiati Surasto. Born in Banyuwangi, East Java, in

[2] There is a biography of Coerdian in an appendix to Head, Indonesia Policy Directorate to High Commissioner Jakarta, Archief Hoge Commissariaat Indonesie, Inv. no. 318, NADH.

[3] On Hindromartono and labour union activities, see Ingleson, *Workers, Unions and Politics*, pp. 274–83, 306–8, 313–26.

[4] The strike broke out in June 1948 in republic territory and involved 15,000 workers over demands that seasonal workers be provided with a free distribution of goods, especially rice. See *Locomotief*, 24 June 1948.

[5] See the biography in *Harian Rakjat*, 21 Sept. 1955.

1920, Setiati was a graduate of a mid-level Dutch-language school. In the early 1930s she moved to Jakarta, where she was active in the Jakarta branch of Young Indonesia. After 1945 she was an active member of the Barisan Buruh Indonesia, organising young workers, especially women, in Jakarta. She was a youth representative in the Central Indonesian National Committee. With her husband she was responsible for publishing the Jakarta weekly *Pekerdja* from 1947 to 1950. Well known for her speaking ability and her organisational skills, she became a leader in the Jakarta branch of Sarbupri after independence. The third Sarbupri congress in 1952 elected her to the central executive, where she became the socio-economic secretary and subsequently was involved in negotiations over collective agreements with employer associations. The same year she was elected as a Sarbupri member of the Sobsi national council. The fourth Sarbupri congress in October 1956 appointed her the first secretary of its organisation bureau. She was deputy chair of the Indonesian delegation to the International Women's Congress in Copenhagen in 1954 and the only woman among the seven Indonesian delegates to the ILO conference in Geneva in 1955.[6]

National leaders of Sarbupri focused on negotiating collective agreements with plantation industry associations in order to establish industry-wide minimum wages and conditions. They were in close contact with the government, especially with ministers of labour, ministers of agriculture (responsible for the state-owned plantations) and the P4P. They constantly lobbied members of the national parliament, particularly those on its labour affairs committee, and worked with Sobsi on major political and industrial campaigns. They were frequent speakers at Sarbupri regional conferences and Sobsi rallies and congresses, travelled regularly to branches in order to observe and instruct, and were responsible for a steady flow of publications.

In contrast to national leaders, almost all sub-branch and branch leaders were plantation workers. Some received honoraria for their union work, though the parlous financial state of many sub-branches and branches meant that many, perhaps most, did not. Branch and sub-branch chairmen, secretaries and treasurers were mainly clerks, administrative workers, supervisors, foremen and tradesmen, members of the literate minority of plantation workforce. However, one of

[6] "Siapa Setiati Surasto?", *Berita Organisasi Sarbupri*, 5 Nov. 1955, p. 2. See also the brief portrait in *Harian Rakjat*, 29 Sept. 1955.

the strengths of branch and sub-branch executives was that they also included field workers and people who laboured around the plantation factories.

With over 900 sub-branches, each with a chairman, secretary and treasurer and other executive members, Sarbupri had over 5,000 local officials. Between 1953 and 1958 it published profiles of 19 sub-branch leaders. At a time when national leaders were increasingly worried about workers' commitment to the union, they were the kind of people Jakarta head office wanted to see in these roles.[7] Of the 19, 14 were men; and of these, three were foremen, three clerks, one a cashier, one an administrative worker, and two described as ordinary workers. All had spent their working lives on the plantations, and some had worked on the same plantation for more than 20 years. The 11th man was a teacher, making him the only person profiled who was not employed in the industry. The oldest man was 45 years old and the youngest 26, with the majority in their late 20s to mid-30s. All were politically active in other organisations connected to the PKI, but only two were identified as PKI members.[8]

In an effort to encourage women to take on leadership roles, five of the profiles were of women activists. Written to encourage women and convince men that they could be excellent leaders, they provide an insight into the life stories of the few women who did enter the male world of union leadership. The women profiled were all born to plantation workers, grew up on plantations and were married to other plantation workers.

Rochani was the sole woman among 30 delegates to the second congress of the Jakarta branch in November 1951. Along with the male general secretary, she represented the Rangunan sub-branch in south Jakarta. The Rangunan plantation had a workforce of around 400, of whom about 250 were women. Rochani was a 40-year-old field worker who had been married to a plantation worker but was now divorced. When asked if she aspired to be a leader of workers

[7] In May 1957 the editor of *Berita Organisasi Sarbupri* stated that he was publishing these reports on local leaders "in order that many more workers, especially contract workers and chairmen of sections, clusters and work groups, are able to write about their experiences, whether good or not so good, so that they can be studied by colleagues in other places" (*Berita Organisasi Sarbupri*, May 1957, p. 2).
[8] The profiles of these 19 people were published in *Berita Organisasi Sarbupri*, 5 Dec. 1955–May 1957; and *Warta Sarbupri*, Dec. 1953–July 1958.

on her plantation, Rochani simply replied that this was impossible because she could neither read nor write. However, she was a proud member of Sarbupri, believing that it had brought significant improvements to her life.[9]

Sadirah was born to parents who worked on the Kisaran tobacco plantation, in Simalungan, North Sumatra. She was a low-paid contract labourer between 1929 and 1945. Unable to read or write, she told how she first heard of the history of the Indonesian labour movement when her husband read a book to her. During the Dutch reoccupation she and her husband joined a guerrilla group for a couple of months before returning to the plantation. She joined both the PKI and Sarbupri at Kisaran, where she and another woman formed women's groups. She was an activist during Sarbupri strikes in 1950.[10]

Ponijem was born in 1936, the daughter of a plantation worker at Meureube in Aceh. She attended the simple plantation school, completed second class, and could read and write. She married a plantation worker and continued to work on the Meureube plantation after independence. When she was elected to the Sarbupri sub-branch executive, her first job was to collect membership fees. In telling her story she said that previously no one knew what happened to the fees after they were collected, but she ensured that everything was transparent, with the money immediately paid into the sub-branch account, presumably at the local post office. Like most of the women profiled, Ponijem was also a Gerwani activist, forming a branch of the PKI women's organisation on her plantation. In March 1957 she became deputy treasurer and women's secretary of the Sarbupri sub-branch. She related how she had to overcome opposition to her activism, including from her husband and parents. When asked why she thought she was accepted as a leader, she answered that this was because she read Sarbupri and PKI literature, attended courses to improve her organising skills, and always encouraged discussion.[11]

Sri Wurjanto was born in 1930 in the Pati regency of Central Java. Educated to sixth class, she became active in the Jolong sub-branch of Sarbupri alongside her plantation worker husband, who founded the branch in 1946. She was particularly active in organising

[9] "Bu Rochani dari Ragunan", *Warta Sarbupri*, Nov. 1955, pp. 215–7.
[10] *Berita Organisasi Sarbupri*, May 1957, p. 2.
[11] See the portrait in *Berita Organisasi Sarbupri*, May 1957, p. 2.

women workers on the plantation and in 1950 was appointed the sub-branch's socio-economic secretary. In 1954 she became a member of the Pati branch executive and in 1956 the general secretary of the branch, one of the few women to hold such a post. Wurjanto was also active in the PKI women's organisation Gerwani and was elected as a PKI candidate to the Pati district legislature.[12]

The fifth profile was that of Tinah, a worker at a plantation near Medan, North Sumatra. She was described as an outspoken young woman who was no more than 25 years old and a strong advocate of literacy classes for workers, especially women. When the position of sub-branch secretary became vacant, she was elected its first woman office-bearer. Tinah was married to Sukri, a carpenter who was also a member of Sarbupri. However, the head foreman was a Perbupri member who was intent on reducing Sarbupri influence on the plantation. He pressured Sukri to join Perbupri and to persuade his wife to do likewise. The reward would be promotion to the more prestigious and better-paid job of clerk. Sukri agreed, but Tinah, despite recognising that extra income would be useful, refused to resign from Sarbupri. She was subsequently sacked on trumped-up charges. When Sarbupri protests failed, the sub-branch decided to employ her as a full-time official.[13]

Sarbupri's central leaders were well aware that about half of plantation workers were women and tried to address issues of particular concern to them. In negotiations over collective agreements, the union demanded equal pay for equal work, implementation of the national labour law on maternity leave, provision of midwives and nurses on plantations, and better childcare facilities for women who worked in the fields so that they were not forced to take their young children with them. National congresses devoted space to discussing issues affecting women, and efforts were made to get branches and sub-branches to increase the involvement of women by encouraging them to take leadership roles. Suggestions were made on ways to do this, including recruiting workers who were wives of members and holding regular meetings exclusively for women so that issues of concern to them could be freely discussed. From 1953 both the central executive and district executives organised leadership courses exclusively for women in an effort to develop local leaders.

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[12] See the portrait in *Warta Sarbupri*, July 1958.

[13] "Tinah … anggota Sarbupri", *Warta Sarbupri*, Dec. 1953, pp. 308–11.

Sarbupri published no gender breakdown of its membership, but articles in its magazines and reports to its congresses indicate slow progress in recruiting women and even slower progress in elevating them to leadership positions.[14] As late as 1956 and 1957, photographs of branch and sub-branch executives show only one or two female faces in a sea of men. In an effort to force the pace of change, the 1956 national congress resolved that every sub-branch should form a women's unit led by women. The central executive also instructed branches and sub-branches to increase the number of female delegates to future national congresses to at least reflect the proportion of women members.[15]

Union membership reflected the gendered communities in which workers lived and the gendered division of labour on the plantations. Central leaders understood this but struggled to find solutions. They were concerned that women who did join were reluctant to attend branch or sub-branch meetings dominated by men who either did not seek their views or did not take them seriously. They hoped that the creation of women's units in sub-branches would promote female leadership and encourage women to join. Others spoke of women plantation workers' fears of being inadequate and lacking encouragement from their husbands to participate in union activities: "there are still many women plantation workers who feel modest, believe that they are stupid or are in domestic situations where their husbands do not provide support or in fact deliberately put obstacles in their way."[16]

Despite its policy of promoting women, the leadership of Sarbupri remained overwhelmingly male.[17] In 1956 Setiati Surasto was critical of the lack of progress. She argued that while there were many women's groups at the local level, most existed only on paper and women were rarely given any responsibility in sub-branches. Courses were held for women, but the enthusiasm generated quickly dissipated once the women returned home. Men were still making

[14] There is a gender breakdown of membership of the Cileungei sub-branch in West Java, which may be indicative of the union as a whole. In September 1954 the sub-branch had 559 male and only 66 female members. *Berita Organisasi Sarbupri*, 25 Aug.–5 Sept. 1954, p. 398.
[15] *Berita Organisasi Sarbupri*, 5 July 1956, p. 1.
[16] "Buruh wanita dan diktum P4-Pusat", *Warta Sarbupri*, Aug. 1956, p. 151.
[17] Sarbupri's fourth national congress elected a 15-member national council, of whom three were women. *Harian Rakjat*, 17 Oct. 1956.

excuses for the absence of women on branch and sub-branch executives, including that they had few female members and that women were not willing to take up these roles.[18]

Structures

In 1950 Sarbupri had a three-tiered structure: a Jakarta-based central executive, branches and sub-branches. Commissioners were appointed by Jakarta to work with regional committees in order to supervise branches and sub-branches, but they were not part of the formal structure. At the end of 1951 there were 16 commissioners paid by Jakarta, but along with elected committee members they were beholden more to local networks than to Jakarta.[19] Branches were the major coordinating bodies outside the Jakarta head office, mainly with part-time officials and a small paid office staff to support them. The basic unit was the plantation-based sub-branch. Many companies operated multiple plantations, often far apart, and each plantation had its own sub-branch. Some branches had a small number of sub-branches, while others had as many as 20 or 30. Sub-branches were organised into sections, clusters and workgroups.

This structure linked a workgroup of perhaps five to ten people to a sub-branch, then to a branch, and through regional commissioners to the central executive in Jakarta. In practice, though, branches and sub-branches operated with considerable independence. The further removed from Jakarta, the greater the independence. Indeed, sub-branch leaders owned the relationship between the union and plantation workers. They also controlled the finances of the union because they collected membership fees and other contributions and decided how much of what they collected was forwarded to higher levels. Sub-branch leaders were also largely responsible for resolving local issues, ensuring the implementation of collective agreements and negotiating local deals with plantation managers.

The third Sarbupri congress, at the end of December 1952, adopted a new constitution based on the democratic centralism principles recently adopted by Sobsi. In explaining the changes, national

[18] Setiati Surasto, "Arti 17 Februari Bagi Buruh Wanita Perkebunan", *Warta Sarbupri*, Feb. 1956, pp. 30–1; "Activis Buruh wanita dalam kehidupan SB", *Warta Sarbupri*, 1957, 2 (n.d.), pp. 30–1.
[19] *Warta Sarbupri*, 15 Jan. 1952, p. 15.

leaders emphasised the importance of ending unilateral action by sub-branches. The large strikes of 1950 had been centrally organised and directed, but most industrial action had been organised by sub-branches with little or no reference to Jakarta head office. The new rules required prior approval from the next level in the organisation before any local action.[20] Central and district leadership positions were declared vacant, the position of district commissioner eliminated, and an extra layer added between the central executive and branches. Branches were now organised into seven districts (East, Central and West Java, South and North Sumatra, Kalimantan and Sulawesi), each of which corresponded to a Sobsi district. Sarbupri district offices were co-located with Sobsi district offices in order to save money, improve discipline and more easily enable Sobsi to provide support.[21]

Sarbupri abandoned the election of district committees by branch officials. Under the new structure small, usually three-person, district executives were appointed and paid by the central executive, with individuals moved regularly in order to prevent them developing local patronage networks.[22] All expenditure by district executives was expected to be approved by the central executive.[23] The new constitution created tighter bureaucratic control, but this tighter control came at a cost to the union. The previously elected members of regional committees were branch activists and closer to ordinary plantation workers than the Jakarta leadership. Their replacement by men sent from Jakarta head office and regularly rotated strengthened Jakarta's control over the districts but weakened its connection with branches and sub-branches.

In implementing the new structure, the Sarbupri central executive instructed branches and sub-branches to ensure that all local actions were strategic, disciplined and carried out strictly in accordance with Jakarta policies. They must be lawful, even when Sarbupri disagreed with the law, and should include "light" actions such as meetings, protests and public discussions as well as "heavy" actions such as demonstrations and strikes: "One must not speak of half-baked plans but of actions that are within the capacity of both

[20] See the editorial in *Warta Sarbupri*, Mar. 1953, pp. 2–3.
[21] The North Sumatra district covered Aceh, the east coast of Sumatra and Tapanuli. See Avros Circular no. 10/DN, 30 Jan. 1953, in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, Inv. no. 133, NADH.
[22] *Warta Sarbupri*, May 1953, p. 118; *Harian Rakjat*, 3 Jan. 1953.
[23] *Warta Sarbupri*, Mar. 1953, p. 9.

workers and the organisation and that can be achieved in a fixed timeframe. Actions must be clear, systematic and well-organised."[24]

Central leaders regretted that the union had not sufficiently consolidated the victories of 1950, with the result that it was organisationally and financially weaker than it should have been. They believed that it suffered from "the sickness of subjectivism", where the role of central leaders was minimised and emphasis instead placed on the local. Sub-branches, they stated, could not resolve local issues by acting independently.[25]

Sarbupri increasingly emphasised educating local officials and activities that would engage plantation workers more deeply with the union. It created a sports and culture secretariat, similar to that recently established by Sobsi, tasked with promoting literacy courses, Indonesian and English language courses, cultural activities, and sport. By the end of 1953, 64 branches and sub-branches had football teams, some multiple teams, in local competitions.[26] In the eyes of union leaders there was a moral as well as a pragmatic purpose. Plantation workers should be provided with inexpensive activities "that are good and that raise men to a higher level" and that replace bad influences such as gambling.[27]

The restructuring was only partially successful. Central leaders continued to worry about controlling branches and sub-branches and also about workers' lack of commitment. In the middle of 1955 Warsosukarto, one of the two deputy general secretaries, reported on a tour of sub-branches in South Sumatra. He concluded that they were in better condition than they had been prior to the December 1952 reorganisation, with stronger leadership and a better understanding of the union among members. He also believed that they had forced plantation managers to be more respectful of the union and had successfully opposed arbitrary actions and failures to implement agreements. However, he observed significant areas of weakness. Sub-branches were dependent on one or two people, who did not

[24] "Handleiding voor Actie", Circular no. 23/Secr/DPP/53, 6 Feb. 1953, enclosed in High Commissioner to Minister for Foreign Affairs, 19 Mar. 1953, in Archief Ministerie van Buitenlandse Zaken, 1953–1964, Inv. no. 12122, NADH.
[25] Sudadi, "Menjambut Sidang DPP Pleno ke 11", *Warta Sarbupri*, Aug. 1953, p. 166; *Berita Organisasi Sarbupri*, 15 Apr. 1954, p. 180.
[26] *Berita Organisasi Sarbupri*, 9 Dec. 1953, pp. 289–90.
[27] *Harian Rakjat*, 10 Jan. 1953.

delegate and made little use of sections or workgroups. Meetings were neither well organised nor productive, with members given little opportunity to speak and not enough time set aside to discuss the socio-economic issues that concerned them. Proposals from members were rarely followed up on. Warsosukarto argued that local leaders were not paying enough attention to the small but important issues that concerned members, such as broken windows, leaking roofs and the condition of kitchens in their houses, stating that "This is definitely the reason members become fed up and lose faith in the organisation."[28]

Other problems identified by Warsosukarto included the poor education of cadres, with local leaders rarely—if ever—reading Sarbupri publications and having little knowledge of labour laws, insufficient female cadres, and not enough cooperation with influential mid-level workers. The function of a union, Warsosukarto argued, was not well understood, with the result that at times the union resembled a political party that discussed issues in principle rather than attending to specific problems. He found it strange, for example, that many local leaders did not know how many members were in a sub-branch or where they lived. In his view, all this indicated a leadership out of touch with its membership.[29]

Later in the year Warsosukarto investigated branches and sub-branches in East Java and was again unimpressed with the commitment of workers and the quality of local leadership. He reported to the central executive:

> Sub-branch leaders have limited understanding of the structures of plantations, wages and labour. They do not know where work is heavy and where it is light. For example, rubber tappers or coffee pickers. Wages are the same whether the work is in a tough section of the plantation with old trees, or in an easier section with young trees. Small demands are not consolidated and structured. For example, the demand for improvements to houses is not converted into a focus on which houses need repair. There are many other basic demands such as this that are not converted into specific issues. Also, independent activity is

[28] Warsosukarto, "Beladjar dari pengalaman berorganisasi", *Warta Sarbupri*, July 1955, p. 124.
[29] Ibid., pp. 123–5.

> not balanced by a strengthening of the base units such as groups and sections. The organisation is not being fully utilised; indeed, many of its functions are not understood. The different responsibilities of an ordinary member and a section chairman are little understood.[30]

Towards the end of 1955 the Sarbupri central executive identified two major "sicknesses" in the organisation at the local level that were holding back the development of the union:

> First is the sickness of "bureaucracy", which wants to issue orders from behind a table, organise from behind a table and indeed is only happy when sitting behind a table in a sub-branch office. Second is the sickness of being in command, wanting to work on one's own, unable to organise and share responsibilities and readily blaming other people and members.[31]

The central executive instructed branch leaders to discuss issues raised by sub-branches two or three times a month and at least once a month holding discussions with leaders of sections, clusters and work-groups. Branch leaders were told to ensure that the messages conveyed to workers by sub-branch leaders were in line with those of the branch, the district and the centre. It was also their responsibility to ensure that sub-branches had work plans, maintained accurate membership figures, and made union magazines, newsletters and circulars available to members. Regular sub-branch meetings were important in order to make members feel part of the organisation. Every section in a sub-branch should have a designated place where workers could meet and discuss issues that concerned them and there should always be two or three people present who could read in order to explain union literature.[32]

Sarbupri held its fourth national congress in September 1956. For some time, it had been struggling to renegotiate collective agreements with membership and finances in decline following the arrest of many local leaders after its 1953 strike. Suhaimi Rachman, its secretary-general, provided a lengthy and honest assessment of the

[30] Warsosukarto, "Laporan Perdjalan ke Djawa-Timur antara tanggal 1 s/d 25 November 1955", 30 Nov. 1955, p. 3, in Arsip Sobsi, Inv. no. 46, ANRI.
[31] "Bagaimana Memperkuat basis?", *Warta Sarbupri*, Oct. 1955, p. 194.
[32] Ibid., pp. 194–5.

union.[33] He argued that while the reorganisation at the beginning of 1953 had achieved a great deal there were still serious weaknesses at the local level, with little cooperation between sub-branches and circulars from central leaders rarely conveyed to members:

> The lack of collective action and democratic life in the union is the reason for Sarbupri's programme, guidelines, instructions and circulars not being discussed enough. Guidelines from top leaders are not spread widely enough and adapted to fit the local situation. Many are implemented in a spontaneous manner with no planning and to little effect.[34]

As a consequence, Suhaimi believed that the union had become a passive organisation that failed to involve the mass of workers. Branches and sub-branches were still run by one or two people who did not discuss issues with section, cluster or workgroup leaders: "Leadership bodies have been created in a formal sense but in practice are not working. It is clear that collective work is poor. All of this is the consequence of members of these bodies not implementing the rules laid down in the constitution."[35]

In Suhaimi's view central control remained a major problem. While development of a strong cadre at the branch and sub-branch levels had been a priority since the beginning of 1953, more needed to be done, especially with group and section leaders, in order to revitalise the union base. In the last few years Sarbupri policy had been to appoint cadres to a district for only a limited time with an agenda approved by the central executive. Sarbupri's experience was that cadres who stayed in one district for too long often became involved in "excesses": "Because of this it is our responsibility to be more careful in future in organising transfers and secondments in order to ensure that programmes and functions are tangible and under firm control."[36]

Concerned about continuing weaknesses in the union organisation, in 1957 the Sarbupri central executive introduced a system of quarterly plans for each level of the organisation. In this it was

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[33] "Bahan2 Kongres ke IV", *Berita Organisasi Sarbupri*, Nomor Istimewa, 1 Sept. 1956, pp. 1–4.
[34] Ibid, p. 3.
[35] Ibid.
[36] Ibid.

following the example of Sobsi, which was facing much the same problem. Implementation of the plan for the first quarter of 1957 left the central executive disappointed. If the second quarterly plan was to be more successfully implemented, then local leaders must fully own it: "Every day without exception all leadership bodies and all activists must read the quarterly programme, think about its implementation in their workplace, discuss it and seek ways of overcoming obstacles or difficulties."[37]

District executives were seen as crucial for the plan to be implemented systematically. It was their responsibility to convey its importance, relate it to local issues and exert greater control over sub-branch leaders in order to prevent them continuing to operate independently. Members of district executives were urged to travel regularly to sub-branches in order to better understand plantation workers: "Go to the regions not for one or two days only but for weeks at a time in order to provide intensive courses and careful guidance to the sub-branches."[38]

The need for bureaucratic control of local activities was clearly not a view shared by all local leaders. In December 1956 an editorial in *Berita Organisasi Sarbupri* acknowledged that many sub-branch leaders had little respect for those above them in the union hierarchy. They were demanding the abolition of branches and districts so that they could be directly responsible to Jakarta. In their view, the Sarbupri central executive should work for the sub-branches, implying, of course, that the opposite was currently the case. This was anathema to the central executive, which for years had been trying to maintain control over the activities of sub-branches. Such views had to be countered and eliminated. Sarbupri, it argued, did not operate in a rigid way, and believed in consultation, discussion and discretion, but union discipline must be maintained.[39]

Membership and Finances

There are no reliable figures on the membership of Sarbupri from year to year. Estimates produced by the Ministry of Labour were greatly

[37] "Tjurahkan perhatian dan aktiviteit untuk terlaksanja plan triwulan kedua", *Warta Sarbupri*, 1957, pp. 113–4.
[38] Ibid.
[39] *Berita Organisasi Sarbupri*, 20 Dec. 1956, p. 1.

exaggerated, and Sarbupri itself produced fluctuating figures. For example, in July 1951 Sarbupri claimed a membership of 466,806, whereas in August 1952 the Ministry of Labour estimated its membership at 663,599.[40] An internal Sobsi report stated that in 1955 Sarbupri had 333,153 members and in 1958, 352,181.[41] A more accurate figure may be that provided in 1953 by Suhaimi Rachman, who stated that Sarbupri's membership was only about 115,194. He was probably referring to financial, rather than nominal, members.[42] The unsuccessful Sarbupri strike in September 1953, and the subsequent arrest of hundreds of local activists, led to a loss of members. In January 1955 the ALS estimated that Sarbupri membership on the Java plantations had fallen to 50 per cent of workers from a peak of 65 per cent before the strike, and that Perbupri, Sarbupri (Sobri) and the SBII had each picked up 5 per cent of its members.[43]

The problem for Sarbupri was the same as that for all private sector unions: few people paid their membership dues regularly, or even at all. Plantation workers were poor, and there had to be a compelling reason for them to give up part of their meagre wages. Union rules stipulated that 35 per cent of membership fees should be retained by sub-branches, 25 per cent by branches and 20 per cent by districts, with the remaining 20 per cent forwarded to the national office in Jakarta. The system depended on sub-branches collecting fees, maintaining records and sending the specified amount to the branch, with the branch sending money to higher levels via monthly postal notes. Accurate records were seldom kept, and there was considerable opportunity for leakage.

Membership fees were collected in different ways. A few sub-branches reached an agreement with plantation managers to deduct fees from workers' wages. This was the preferred model, despite concern that it would enable employers to know the names of members

[40] *Warta Sarbupri*, 30 Aug. 1951, p. 18; Kementerian Perburuhan, "Daftar Organisasi Serikat Buruh di Indonesia", 31 Aug. 1952, in Arsip Sek Neg Kab PM, 1950–1959, Inv. no. 3067, ANRI.

[41] Untitled Sobsi document (undated but probably 1959), p. 1, enclosed in Arsip Sobsi, Inv. no. 46, ANRI.

[42] Suhaimi Rachman, "Buruh perkebunan berdjoang", *Bendera Buruh* 3, 3 (1953): 9.

[43] The estimate was by the ALS/ZWSS head of industrial relations. See Amembassy, Jakarta, Despatch no. 384, 24 Jan. 1955, p. 11, in Department of State, Indonesia Labor Reports 1955–1956, NARA.

and the strength of the union. Sarbupri feared, with some justification, that managers might use this information to take arbitrary action against members or provide lists to the police and military. It was also concerned that direct deduction of fees would lead to workers regarding fees as a tax.[44] Managers of the small state-owned plantation sector sometimes agreed to this arrangement, but most managers on the dominant foreign-owned plantations were determined to provide no assistance to unions.

A second method was for sub-branch leaders to man tables near pay clerks on payday. With money in their hands, workers, and foremen collecting money on their behalf, could be pressured to part with contributions. However, following Avros advice in February 1952, an increasing number of plantation managers refused to allow this practice, forcing sub-branch leaders to collect fees from workers at their homes. This meant visiting them on payday, otherwise wages would have been spent. Sub-branches found this too time-consuming, with many workers living in villages some distance from the plantations. Instead, sub-branch leaders asked members to bring monthly fees to sub-branch offices, usually located in the home of the treasurer or another sub-branch leader. This was the least effective way of getting fees.[45]

After its third national congress Sarbupri tried to improve the flow of money to Jakarta by introducing membership cards. Branches were instructed to issue each member with a card and affix a special Sarbupri stamp when fees or other contributions were made.[46] This way both branches and members would know whether payments had been made, and from the Jakarta perspective there would be improved accountability. At the end of each year membership cards were to be returned to Jakarta, where they would be checked against income received before new cards were issued. This system required organisational structures and controls that were lacking in Sarbupri. Many members refused to accept a card, presumably because they

[44] See Hasan Said, "Mewudjudkan demokrasi dalam keuangan Sarbupri", *Warta Sarbupri*, Nov. 1953, pp. 250–3.
[45] For a detailed discussion of the views of the central executive and the ways in which branches and sub-branches raised membership fees, see Kusnan, "Bagaimana Mengorganisasi Masaalah keuangan setjara baik", *Warta Sarbupri*, Apr. 1956, pp. 32–4.
[46] See *Warta Sarbupri*, Mar. 1953, pp. 42–3.

wanted to avoid increased hassle for the payment of fees. Some branches issued cards haphazardly or did not return them to Jakarta at the end of the year. Others reported, conveniently, that cards had been lost. The central executive tried to encourage compliance by issuing certificates of appreciation to branches that fulfilled their obligations, but when it could only issue a handful of these certificates it abandoned the idea.[47]

Sarbupri's financial problems were reflected in its contributions to Sobsi. In 1955 it contributed between Rp.3,000 and Rp.4,000 a month from membership fees, which at the regulation five cents per member indicates a financial membership of between 60,000 and 80,000.[48] Sobsi records indicate that Sarbupri's financial membership in 1957 was only 18 per cent of its nominal membership, or about 66,000.[49] This is an underestimate because branches forwarded less than they should to Jakarta, but even taking this into account a low proportion of nominal members paid their fees.

Sarbupri national leaders laid the blame squarely on branch and sub-branch leaders. Local leaders were reluctant to ask workers for money, sub-branches failed to forward money to branches, and branches failed to forward money to districts. Both levels had their own financial problems and held on to money. Sub-branches, in particular, seem to have closely guarded their finances, with branches reluctant to interfere. Despite the 1953 reorganisation designed to exert tighter central control, and despite efforts to educate local leaders, many still had little awareness of the needs of the higher levels of the union, with Sarbupri head office lamenting that "Often deficits at lower levels are covered by money that rightly belongs to higher levels, without any consideration for its wider impact."[50]

The union was open to corruption at the lower levels because few branches and sub-branches had budgets, maintained accurate

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[47] In 1953 it issued certificates to 12 sub-branches and six branches and in 1954 to 55 sub-branches and eight branches.

[48] "Laporan Sekretariat Dewan Nasional Kepada SB Sobsi tg 16 May 1955", p. 6, Arsip Sobsi, Inv. no. 59, ANRI.

[49] "Mengorgansasi Masaalah Keuangan Serikat Buruh Setjara Lebih Tjepat", p. 2, Arsip Sobsi, Inv. no. 20, ANRI.

[50] *Berita Organisasi Sarbupri*, 1 Sept. 1956, p. 4. See also Warsosukarto, "Laporan Perdjalanan ke Djawa-Timur antara tanggal s/d 25 November 1955", in Arsip Sobsi, Inv. no. 46, ANRI. See also the series of articles by Kusnan, "Bagaimana Mengorganisasi Masalah keuangan setjara baik", *Warta Sarbupri*, Apr.–Sept. 1956.

cashbooks or issued receipts for money received from members. Branches and sub-branches that did have budgets were often undisciplined in their expenditure. Part of the problem was that branch and sub-branch leaders had limited time or inclination for administrative work, but the central executive believed that corruption was also a significant issue. In late 1951, for example, an audit of the Bogor branch revealed that the local treasurer had used false receipts to defraud the union of Rp.41,416 and the union-run cooperative of Rp.6,020.[51] In late 1953 an investigation revealed widespread weaknesses in the way money was transferred from a team, a group and a section: "money was not sent to the organisation but was used by the person who collected it. After the investigation the collector acknowledged his guilt and promised to return the money."[52] After touring branches and sub-branches in East Java in November 1955, Warsosukarto concluded that corruption at the local level was widespread:

> Financial transparency is inconsistent or non-existent; sometimes cash books are replaced and in this way accountability avoided. Stamps are not used by sub-branches. If they are asked the reason for this, they reply that they don't have the time or the manpower. Financial corruption at the sub-branch level is a consequence of poor controls and administration. There is little desire to improve administrative processes because leaders are involved in the corruption.[53]

Warsosukarto spent some time in the Jember branch, the largest Sarbupri branch in East Java, concluding that it was poorly organised and had yet to recover from its previous secretary, who had used branch money for himself. It lacked a membership list and was still open to corruption because money received from sub-branches was not recorded. This was no minor matter: "Corruption is not merely in the hundreds of rupiah but the thousands. There are some people able to buy houses and other items for themselves." The extent of corruption, he argued, reduced people's faith in the union.[54]

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[51] *Warta Sarbupri*, 30 Aug. 1951.
[52] Hasan Said, "Mewudjudkan demokrasi dalam keuangan Sarbupri", p. 252.
[53] Warsosukarto, "Laporan Perdjalan ke Djawa-Timur antara Tanggal 1 s/d 25 November 1955", 30 Nov. 1955, p. 3, Arsip Sobsi, Inv. no. 46, ANRI.
[54] Warsosukarto, "Laporan Tentang Keadaan DPT Djember", in Ibid.

The central executive informed the fourth Sarbupri congress in September 1956 that despite its efforts the union still had serious financial problems. Once again it resolved to demand consistent financial reports from all levels to the next level and to launch a concerted effort to inform members of the problems of financing a union. Stronger controls would be established, with local and district leaders required to account periodically for income and expenditure to their members and to the body above them. Branches and sub-branches were again instructed to create annual budgets and to adhere to them. New templates were produced to help them budget and report regularly to Jakarta.[55] The renewed effort achieved little. In apologising for the late appearance of *Warta Sarbupri* in 1957, the editor stated: "The reason for this is that the Sarbupri daily executive is experiencing financial difficulties. Because of this we apologise for its lateness but at the same time draw the attention of readers and members to the serious financial situation of the organisation."[56]

Education and Communication

The Sarbupri central executive struggled to assert control over branch and sub-branch leaders, let alone communicate with ordinary plantation workers. Realising that Sarbupri's long-term future depended on effective and disciplined local organisers, the central executive organised courses at the district level for branch officials and encouraged branches to organise courses for sub-branch officials. Three courses of seven to ten days were organised for cadres between 1953 and 1956, one of which was specifically for women. Many more courses were organised at the branch level for one or two days or a few hours in the evening once a week.[57]

Central leaders constantly travelled around rural Java and Sumatra to attend district and branch conferences, speak at public meetings, and lecture at union courses. Union publications were often used in these courses. There were sessions on Marxist theory and the class struggle as well as on the history of the union and its successes in confronting employers. The main focus, though, was on grassroots

[55] *Warta Sarbupri*, Oct. 1956, pp. 256–60.
[56] Editorial, *Warta Sarbupri*, 1957 (first issue).
[57] Suhaimi Rachman "Bahan2 Kongres ke IV", *Berita Organisasi Sarbupri*, Nomer Istimewa, 1 Sept. 1956, pp. 1–3.

issues: how to recruit members, maintain records, collect fees, make financial reports and develop class consciousness among workers. A few of the most promising Sarbupri branch leaders were sponsored to attend Sobsi courses, which focused more intensively on Marxist theory, the nature of capitalism and imperialism, the international working class movement, and the history of Indonesian workers' struggle for workplace justice.[58] A few hundred people probably attended one or more Sarbupri courses in the 1950s, but the central executive was well aware that this was only a fraction of the thousands of local officials. Most had no formal induction into Sarbupri's strategy and tactics or instruction on how to be a union organiser.

Despite the low level of literacy among plantation workers—the union estimated that at least 80 per cent were illiterate—Sarbupri published two magazines and a steady stream of brochures. In 1955, for example, it produced a brochure explaining the importance of the upcoming national elections and urging workers to register and vote for candidates who would promote their class interests. Tens of thousands of copies were distributed to branches and sub-branches, with local leaders urged to explain its contents at public meetings to those who could not read. The strategy of the central executive centred on literate branch and sub-branch officials reading union magazines, brochures, and the steady stream of announcements, guidelines and instructions from Jakarta and explaining their contents to workers at formal and informal meetings. Literate members were urged to form reading teams and become part of an information brigade for the union.[59]

Warta Sarbupri first appeared in roneod format in October 1950 with a print run of 1,000. From 1952 it was typeset with a print run of 5,000. Intended to be published twice a month, it appeared less regularly: 16 issues in 1951, 6 in 1952, and 11 in 1953. In 1957 there were only three issues, each of two pages.[60] It concentrated on high-level issues concerning Sarbupri and Sobsi, along with articles on Marxism, the theoretical underpinning of labour unions and the progress of workers in Communist countries. It was a serious

[58] For a discussion of the importance the PKI placed on education, see McVey, "Teaching Modernity".
[59] "Penerangan dan Pendidikan, Sidang Pleno DPP Sarbupri ke-11, 30 August 1953", in *Warta Sarbupri*, Sept. 1953, pp. 188–9.
[60] Editorials in *Warta Sarbupri*, nos. 1, 2, 3, 1957.

magazine containing little local news. At the end of 1953 the editors ruefully acknowledged its shortcomings:

> In fact, both content and language are too sophisticated for sub-branch and branch cadres. There is therefore little desire to read it, and it is put away in drawers. So far *Warta Sarbupri* has been a vehicle for central leaders and has provided portraits only of central leaders. It has not been a place for members to express their inner thoughts and convey their experiences, suggestions, criticisms, etc. It has not yet published portraits of members who are organisational heroes, action heroes, model workers, etc. We have not published reports of workers in sub-branches/branches or in factories or on plantations![61]

Readers were assured that the editors intended to overcome these shortcomings. They were urged to write for the magazine, with those nervous about their ability assured that the quality of the writing did not matter because the editorial committee would provide support.[62] The call for local input met with little success, with the magazine publishing only a few letters and articles from members over the succeeding years, though it did include a new section that reported on the results of local Sarbupri football teams.

In April 1955 *Warta Sarbupri* surveyed its small number of readers and discovered, unsurprisingly, that the most significant criticism was that its content was too heavy: "It is difficult for the ordinary plantation worker to understand it."[63] The following year its new editor, the lawyer Irawan Pandu, lamented that Sarbupri still lacked publications in simple language that could be used to educate members, arguing that there were "still many people who write in the style of a book, with long sentences, complicated language and difficult words and language".[64]

While *Warta Sarbupri* was directed at district and branch leaders, *Berita Organisasi Sarbupri* was intended to appeal more widely with articles on union campaigns and local issues. It had a print run of

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[61] *Warta Sarbupri*, Oct. 1953, p. 204.
[62] Ibid.
[63] Hasan Raid, "Warta Sarbupri & Buruh Perkebunan", *Warta Sarbupri*, Apr. 1955, p. 76.
[64] Irawan Pandu, "Pers dan propaganda dalam Sarbupri", *Warta Sarbupri*, Feb. 1956, p. 32.

10,000. It carried regular reports from branches and sub-branches together with reports on union finances, but it too suffered from the union's financial constraints. Initially appearing three times a month, by 1957 it had only ten issues.

Despite the efforts of the Sarbupri central executive to persuade more people to buy the union's magazines, few did. Some districts and branches published their own magazines, though very few copies have survived and knowledge on them relies on reports in *Warta Sarbupri* and *Berita Organisasi Sarbupri*. Most were stencilled newsletters, with small print runs and few pages, written in simple prose and often in regional languages. The Subang branch in West Java, for example, produced a monthly newsletter in Sundanese (*Tanggara*) that the editors of *Warta Sarbupri* praised for its "very simple" content and language "easily understood by every worker".[65]

Publishing two magazines, pamphlets and reports on congresses strained Sarbupri's finances. In 1955, the year of the national election, its publications department had an income of Rp.29,381 but an expenditure of Rp.105,771, largely because of the cost of producing its election brochure.[66] In 1958 it was forced to amalgamate *Warta Sarbupri* and *Berita Organisasi Sarbupri*, having lost a further Rp.17,000 in 1957 even though it had cut back heavily on the frequency of publication. The deeper issue, it lamented, was that neither magazine was valued at the sub-branch level. Few people read them, and even fewer subscribed.[67]

On the Plantations

Most plantation workers had only a limited knowledge of Sarbupri, sometimes gained from attending union meetings but more often from informal discussions in workplaces, kampungs and villages or from listening to local leaders during industrial campaigns. They were little interested in the theoretical analyses of Jakarta leaders or in structures or issues beyond the plantation. Their lived experience was that for decades they had been exploited labour; that European managers

[65] *Warta Sarbupri*, Mar. 1953, p. 32.
[66] Sobsi DN, "Menorganisasi Masalah Keuangan Serikat Buruh Setjara Lebih Tjepat", 5 Nov. 1957, p. 18, Arsip Sobsi, Inv. no. 20, ANRI.
[67] *Warta Sarbupri*, May–June 1958, p. 1.

led lives of luxury while treating them badly; and that during the struggle against the reinvading Dutch, Indonesian leaders had promised that independence would bring radical change to their lives.

Despite a formal structure based on democratic centralism, in practice Sarbupri was highly decentralised. For plantation workers the sub-branch was the union, with local leaders more attuned to their grievances than officials in Jakarta. The vast majority of disputes were initiated and resolved by branches or sub-branches rather than by the Sarbupri central executive. In 1954 the P4P considered 154 disputes involving Sarbupri, of which only five were initiated by the central executive; and Sarbupri reported that of the 205 strikes involving the union between January 1953 and February 1955, all but two were organised by branches or sub-branches.[68] Employers accused Sarbupri of adopting a policy of decentralising industrial action in order to pressure plantations one by one with a view to incorporating local gains into a national collective agreement. The industrial battle, it argued in 1954, had become like a game of chess.[69]

Labour unrest on the plantations of Java and Sumatra continued despite the restrictions imposed first under the state of war and siege ordinance and then under the emergency law. Between 1953 and 1957, 20 per cent of all disputes and 50 per cent of all strikes were on the plantations, with an average of 798 disputes and 174 strikes each year in an industry with about 1,500 plantations. There was a steady increase in the percentage of P4P decisions on plantation disputes: 31 per cent in 1952, 32 per cent in 1953, 39 per cent in 1954, 43 per cent in 1955 and 1956, and 46 per cent in the first half of 1957.[70] Most disputes were confined to one plantation or company, were of short duration, and were initiated by union sub-branches or workers themselves. The high proportion of strikes in the industry reflected not just poor wages and conditions but also the determination of plantation managers, supported by the powerful plantation associations, to hold the line against what they saw as unruly workers and militant unions.

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[68] *Warta Sarbupri*, Feb. 1955, p. 26.

[69] "Beknopt overzicht van de situatie op arbeidersgebied", n.d. (Feb./Mar. 1954?), Archief Federabo Inv. no. 219, NADH.

[70] These statistics are compiled from reports in *Tindjauan Masa'alah Perburuhan*, esp. Aug. 1957, p. 12. The Ministry of Labour recorded 15,059 industrial disputes between 1953 and July 1957, of which 3,546 were on the plantations.

There were significantly more industrial disputes on the Sumatran plantations than on plantations in Java. Two-thirds of the plantation disputes between 1953 and 1957 were recorded by the Medan district of the Labour Office, which covered the plantations of Aceh, Tapanuli and the east coast of Sumatra. An even higher proportion (708 out of 872) of the plantation strikes in these years were in the Medan district.[71] This was reflected in the number of Sarbupri activists charged under the emergency law between August 1954 and April 1955. In North Sumatra 371 were charged compared to 123 in Java, despite North Sumatra having half the number of sub-branches and two-thirds the members of Java.[72]

There were significant differences between the social base of plantation workers in North Sumatra and those in Java. Most workers in North Sumatra were Javanese, either recruited under the penal sanction regime of the colonial state or the children of imported Javanese labourers, whose lives and incomes were tied to the plantations. Plantation workers in Java were more closely integrated into the village economy, and the village world provided a measure of social security and deference to authority lacking among plantation workers in North Sumatra. The history of the North Sumatra plantations meant that there was a more antagonistic relationship between plantation managements and workers there than in Java. North Sumatra workers had long memories of the appalling conditions they had suffered under the colonial-era penal sanctions regime. They deeply resented their treatment by Dutch managers and the use of the repressive instruments of the colonial state against them. Independence freed them from their fear of managers and the state but did not erase their memories and made them more determined to force change. Labour relations on the North Sumatra plantations were also made worse by the more confrontationist approach of Avros to collective action and unions than that of the ALS/ZWSS/Bebto in Java.

Branch and sub-branch leaders focused on local issues and monitored the implementation of national agreements with industry associations. Many disputes arose because plantations were slow to implement P4P decisions on issues such as backdated wage rises or the payment of overtime money to workers. In January 1952 a

[71] *Tindjauan Masa'alah Perburuhan*, May–June 1952, p. 2; Mar. 1956, pp. 28–30; Jan. 1958, p. 7; Feb. 1958, pp. 27–8.
[72] *Berita Organisasi Sarbupri*, 5 Apr. 1955, p. 1.

Semarang, Central Java, plantation owed its workers Rp.40,000 in back pay and was using delaying tactics until the Sarbupri sub-branch forced it to pay in two instalments.[73] In 1954 the British company P&T Land in Subang, on the north coast of West Java, refused to pay workers backdated wage rises and rice subsidies as determined by the P4P in August 1953 pending an appeal by the ALS. On 8 January the P4P rejected the appeal. The following day, Saturday, 9 January, about 4,000 Subang workers demonstrated outside the company's office demanding the immediate payment of the Rp.1.5 million owed to them. Finding the office closed, they marched to the house of the plantation manager, who, confronted by the strange sight of a large demonstration by workers, did not know what to do. Finally, the demonstrators marched to the office of the Subang branch of Sarbupri, calling out as they marched "Give us our money", to get the support of branch leaders.[74] Demonstrations, both spontaneous and organised by unions, were a common tactic to exert pressure on plantation managers and government officials.

As a number of plantations closed or reduced their workforces because of declining world prices and increasing costs, Sarbupri branches and sub-branches ensured that affected workers received the entitlements stipulated in collective agreements. In March 1952, for example, a tea plantation in West Java made 33 workers redundant. The Sarbupri sub-branch negotiated with the plantation to ensure that they received the one-month redundancy payment to which they were entitled.[75] In June 1952 the Sarbupri Subang branch supported 67 workers made redundant after the closure of a rice mill owned by P&T Land. The mill claimed that it was bankrupt and could not make the required redundancy payments. With the support of the local Labour Office, the union forced P&T Land to meet its obligations.[76]

Many disputes arose from plantations making permanent and day-wage workers redundant and a short time later employing contract labourers to do their jobs. Plantations argued that contract labourers were not employees and therefore not entitled to the wages and conditions laid down in collective agreements. In a letter to the

[73] *Warta Sarbupri*, 15 Jan. 1952, p. 14.
[74] See the report in *Berita Organisasi Sarbupri*, 20 Jan. 1954, pp. 53–4.
[75] *Harian Rakyat*, 10 Mar. 1952.
[76] *Algemeen Indisch Dagblad*, 20 June 1952.

governor of North Sumatra in March 1954, Avros went as far as to deny that there was any such person as a casual worker in its members' employ: "Sarbupri is referring to workers that work under the direction of a contractor. These workers do not work *for* the estate, but for a contractor who carries out specific work *at* the estate. Therefore, the estate is totally free of any work agreement between the contractor and those who choose to work for him."[77]

Not surprisingly, unions were angered by calculated efforts to circumvent collective agreements. They sought to insert a clause into revised agreements requiring contract labourers to be paid the same rate as day-wage workers.

Hundreds of disputes each year were the result of poor management-worker relations and failed negotiations between plantation managers and local union leaders. Disputes occurred because managers placed obstacles in the way of sub-branches, refused to consult with them over mass dismissals or the transfer of workers to other sites, dismissed union activists, or engaged in other arbitrary action.[78] Others were caused by what workers felt were unfair penalties over trivial infractions of plantation regulations. A widespread practice was for plantation managers to discriminate against union leaders, especially those from Sarbupri. Some tried to blunt a sub-branch by moving leaders to distant plantations. Others ensured that they were given less desirable work, excluded from overtime or overlooked for better-paid jobs. It was common for union leaders to be singled out during redundancies or simply sacked on dubious charges. During disputes, managers sometimes sacked union leaders or negotiators. Not surprisingly, discriminatory actions led to strikes.

In January 1952, for example, the Dalak Sinumbah plantation at Simelungan, North Sumatra, introduced a regulation that docked the pay of workers who arrived after the starting time of 6am. For being up to ten minutes late they were to lose a half-hour of wages, between ten and 29 minutes one hour, and between 30 and 45 minutes a whole day's wage. Workers protested that this was unfair because sometimes they arrived at work early or worked late to finish

[77] Quoted in Stoler, *Capitalism and Confrontation*, p. 138 (emphasis added).

[78] The manager of a rubber plantation in Palembang banned Sarbupri from displaying a poster on plantation property, restricting its display to the Sarbupri office and inside the homes of members. A plantation in Pekalangan took similar action. See *Warta Sarbupri*, 20 Jan. 1953, p. 78.

a task but were not paid overtime because the plantation argued that it was only an extra ten to 20 minutes. The first time the new regulation was applied to a worker who arrived a little late, the whole workforce walked out. The plantation was forced to seek Sarbupri's help to get the workers back on the job. A supervisor went to the Sarbupri branch office and promised to withdraw the regulation and consult with the union in the future.[79] Another example comes from a plantation in Banyuwangi, East Java, in January 1954. One morning, 270 workers arrived at the plantation ten minutes late for the daily roll call. The manager ordered that they be recorded as absent, even though they proceeded to do a normal day's work. On payday, two days later, they were not paid for that day and were also docked one day's rice allowance. The Sarbupri sub-branch protested, but to no avail, and the 270 workers went on strike.[80]

Unions often persuaded district and central dispute resolution committees to reign in the more aggressive actions of plantations. For their part, industry associations and plantation managers complained that sub-branches made unreasonable demands with no regard to the economic conditions of the industry and were too quick to engage in industrial action. There is no doubt that some stoppages were caused by unreasonable demands, more often by workers themselves rather than by Sarbupri. There are many examples of sub-branches and branches trying to resolve disputes resulting from workers' spontaneous action. Most industrial action, though, resulted from workers' refusal to accept a continuation of low wages and poor conditions and the failure of plantation managers to abandon colonial-era attitudes and practices.

Workers' demands centred on higher wages and better working conditions but did not end there. Education was important to them. Many joined literacy classes, with some sub-branches persuading plantations to provide them during working hours. Other sub-branches forced plantations to provide spaces for small libraries. Workers were particularly insistent on better opportunities for their children. Sub-branches included demands not only for schoolrooms but also for tables and chairs, pencils and paper, and company payment of teachers. Some wanted free transportation for children who had to

[79] *Rakjat*, 14 Jan. 1952.
[80] *Trompet Masjarakat*, 25 Jan. 1954.

attend schools located away from the plantations. Also high on local agendas were improvements to plantation-owned houses, which many managers acknowledged were old and of poor quality and, after seven years of Japanese occupation and Dutch/Indonesian fighting, often badly in need of repair. Sub-branches demanded repairs to doors that did not close and roofs that leaked, the refurbishment of kitchens, and the addition of toilets and windows. In malaria-infested areas they demanded regular spraying. Conscious of the high proportion of women among field workers, they demanded that plantations provide crèches and nurses to look after babies and young children so that they did not have to be taken into the fields by their mothers.

Sub-branches also demanded improved canteen facilities, including better-quality food and the provision of benches so that workers did not have to sit on the floor. They were no longer prepared to accept race or class discrimination, arguing that if European managers and Indonesian administrative workers were able to sit at a table for their midday meal then so too should ordinary workers. There were frequent stoppages over plantations providing cheaper, poor-quality rice as part of in-kind wages or providing poor-quality food at midday meals. Sub-branches demanded that plantations provide football fields, sporting equipment and sports clothes. In 1954, for example, a sub-branch in North Sumatra demanded that the plantation provide two sets of football boots, shorts, shirts and socks along with six footballs so that workers could field teams on a company rented field. Another sub-branch demanded that a plantation rent a football field for its workers.[81]

While strikes, go-slows and other forms of industrial action were commonplace, many plantation managers ignored the advice of the ALS and Avros and negotiated directly with local union officials in order to maintain industrial peace. Labour Office officials often acted as mediators, and it was common for signing ceremonies to include observers from Sobsi, the Labour Office and the local government. Plantation-level agreements built on the 1950 collective agreements negotiated between Sarbupri and the plantation associations as well as on subsequent P4P determinations. They occasionally included adjustments to some categories of wages but usually concentrated on improvements to conditions and the social wage. Most included

[81] *Berita Organisasi Sarbupri*, 25 Feb. 1954, p. 106; 15–25 Dec. 1954, p. 571.

formal recognition of the union, and many required plantations to provide free office space and other support. A local agreement signed by the Sarbupri sub-branch at Sungai Bulu Paya Mabar, North Sumatra, in July 1955 was typical. The plantation promised to provide work tools (instead of workers having to provide their own), employ a qualified nurse, replace old barrack housing, replace kitchens in bad condition, pay for childcare and school fees, pay premiums based on experience, and allow workers to elect their kampung head instead of having him appointed by the plantation.[82]

In Java, Sarbupri cooperated with the sugar factory workers union, the SBG, and the PKI peasant organisation Barisan Tani Indonesia to try to improve the lot of villagers whose labour tended sugar cane on land rented by foreign and national companies or who worked as contract labourers in the sugar factories during the milling season. The sugar industry was still a large employer of labour, especially during the milling season, although much smaller than it had been in its peak years before the 1930s Depression. Sarbupri and the SBG cooperated both at the central executive level and through their membership of Sobsi in campaigns over issues such as Lebaran allowances, but other than occasional solidarity stoppages there was no joint industrial action. With the exception of the SBII, Sarbupri and its competitors focused on organising workers on the plantations, leaving those employed by the sugar factories on a full-time, casual or contractual basis to the SBG. The SBG itself was wracked with schisms in the early 1950s.[83]

The situation was different on the east coast of Sumatra and in Aceh because tens of thousands of Javanese plantation labourers had squatted on estate concessions during the Japanese occupation and the nationalist struggle against the Dutch. They were unwilling in the 1950s to give up the small plots that not only provided them with a subsistence living but also gave them a measure of independence from plantation labour. In the early 1950s North Sumatra leaders of

[82] *Berita Organisasi Sarbupri*, 5 Aug. 1955, p. 2.

[83] On the SBG, see Colin Brown, "The Politics of Trade Union Formation in the Java Sugar Industry, 1945–1949", *Modern Asian Studies* 1 (1994): 77–98; and G. Roger Knight and Colin Brown, "Commanders and Subalterns: Foreign Capital, the Sugar Industry, and Farmers and Workers in Rural Java, 1931–1959", *Indonesia* 101 (2016): 85–102. See also the SBG publication in 1956, *Lahir dan Perkembangan S.B.G.*

Sarbupri sat on government committees that determined the claims of foreign companies to repossess their former land concessions. They resisted where possible or held out for companies to pay workers' lost wages since 1942 or to agree to collective agreements for improved wages and conditions. Sarbupri argued that former plantation workers who had survived the Japanese occupation and the revolution by cultivating unused plantation land should have their right to land recognised. It urged the government to rescind the leases of land not used by foreign companies and confiscate the land of companies that had closed or failed to return to independent Indonesia, with the land distributed to former plantation workers. Land right campaigns in North Sumatra in the 1950s, often led by local Sarbupri leaders, led to clashes with plantations, the police and the military and the consequent arrest of hundreds of people.[84]

Competition and Schisms

Perbupri was the major competitor to Sarbupri in North Sumatra. In 1950 Avros estimated that it had 31,069 members, or 18 per cent of the total workforce in the region, compared to Sarbupri's 56 per cent. It was smaller and geographically contained to North Sumatra and seems to have been stronger than Sarbupri among the better-paid workers in the plantation factories, workshops and offices.[85] Initially it was organised along similar lines to Sarbupri, with branches on individual plantations.[86] However, in the middle of 1952 it reorganised its branch structure so that each branch covered a number of plantations.[87] Like the Sarbupri central executive, the Perbupri central executive was concerned about the tendency of branches to go their own way under leaders with strong local networks. The creation of area-based branches was intended to reduce the power of local leaders and make it easier for the central executive to maintain control.

Sarbupri's constitution stated unequivocally that "Sarbupri is based on the struggle of the revolutionary class", while Perbupri

[84] Plantation workers' occupation of plantation land in North Sumatra during the Japanese occupation and the revolution and Sarbupri's campaign are well described in Stoler, *Capitalism and Confrontation*, pp. 93–162.
[85] *Berita Organisasi Sarbupri*, Sept. 1953, p. 126.
[86] *Abadi*, 22 Jan. 1953.
[87] *Mimbar Umum*, 30 June 1952.

eschewed class struggle, with its membership card describing its goal as "social justice".[88] Perbupri leaders were avowedly anti-Communist but, while sometimes at odds with Sarbupri during disputes, for the most part cooperated on major industrial campaigns. They agreed with Sarbupri that the restrictions on strikes should be repealed and that industrial disputes should be resolved without government intervention. Perbupri also rejected P4P decisions with which it disagreed, and branches organised industrial action over local issues. One issue of the Perbupri monthly magazine, *Trompet Buruh* (Workers' Trumpet), has survived, which shows a union strongly opposed to foreign ownership of the plantations. The foreign-owned plantations were accused of seeking to undermine wage decisions of the P4P by deliberately looking for "mistakes" in order to dismiss workers, arbitrarily dismissing union leaders and targeting older workers in order to save money. Indonesians, it argued, were perfectly capable of managing plantations, but foreign capitalists were not interested in advancing workers of another race.[89]

The reorganisation of Perbupri in the middle of 1952 led to schisms. Leaders of three plantation-based Perbupri branches, fearful that the new area-based structure would reduce their power, declared their right to autonomy and demanded a new central leadership, accusing Perbupri Chairman Silitonga of being too close to the PSI. Silitonga dismissed this as "a storm in a teacup", but in February 1952 the three branches formed a new union, which they also called Perbupri, under the leadership of the former minister of labour in the RIS government Dr Maas. In June 1953 Perbupri (Maas), which had changed its name to Organisasi Buruh Perkebunan Indonesia (Organisation of Indonesian Plantation Workers, OBPI), had 168 sub-branches on 68 plantations belonging to 11 companies and had joined the Hissbi labour federation, which had a close relationship with the Partai Buruh.[90] Its members were predominantly in the plantation factories, workshops and offices.

Further splits occurred among the anti-Communist labour unions, which weakened their ability to compete against Sarbupri.

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[88] The wording of the Perbupri membership card was published in *Rakjat*, 29 May 1951.

[89] *Trompet Buruh*, 30 Jan. 1952, in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, Inv. no. 133, NADH.

[90] *Mimbar Umum*, 30 June 1952; *Nieuwsblad voor Sumatra*, 24 June 1953.

With the promise of national elections getting closer, in 1954 a group of PSI men within the OBPI split away to form the Organisasi Buruh Sosialis Indonesia (Organisation of Indonesian Socialist Workers, OBSI), taking with them around 5,000 workers. Their motive was to improve the PSI's support on the plantations.[91] The biennial Avros survey of union membership at the beginning of 1956 showed the divided nature of the labour movement on the North Sumatra plantations. It estimated that 95 per cent of the total workforce of 169,547 were unionised, though of course this did not mean that they were fee-paying members. Of the ten competing unions, Sarbupri remained by far the largest, with 51 per cent of the total workforce. This was a decline of 5 per cent since 1952. Its four largest competitors were much smaller: Perbupri 13.6 per cent, OBPI 11 per cent, the newly formed KBKI 6.6 per cent and SBII 5.1 per cent. While the smallest of the four, the SBII had grown considerably from a mere 1,668 members in 1952 to 8,810 in 1956.[92]

Individual plantations often had sub-branches of two or more unions. Branch and sub-branch leaders were sometimes persuaded to swap sides, bringing their members with them. Where there were competing unions on a plantation, relations were strained, with mutual accusations of discrimination against their members. In the absence of the voices of plantation workers themselves, it is difficult to know why workers joined a particular union. Sarbupri had a higher public profile and more resources on the ground than Perbupri or the smaller unions and focused on recruiting low-paid field workers, who were the great majority of plantation workforces. It also drew on physical and material support from other Sobsi-affiliated unions as well as Sobsi itself during industrial action. Neutral observers agreed that it also had a stronger network of local leaders, many of whom were active in other PKI mass organisations and some of whom were Party members. The splits within Perbupri, which between 1951 and 1956 lost nearly two-thirds of its members to breakaway groups,

[91] See Amembassy Jakarta, Despatch no. 632, 16 Apr. 1956 and Despatch no. 688, 15 May 1956, in Department of State, Indonesia Labor Reports 1955–1956, NARA.

[92] See "Union Membership of Estates Affiliated to Avros in North Sumatra", in Amembassy Jakarta, Despatch no. 634, 17 Apr. 1956, in Department of State, Indonesia Labor Reports 1955–1956, NARA.

showed the importance of local leaders' networks of influence and patronage.[93]

Internal divisions within Sarbupri were never far from the surface. Sumatra leaders resisted control from what they saw as a Java-focused central executive in Jakarta. Branches and sub-branches in Java also asserted their autonomy. The arrest of around 15,000 political and union leaders by the Sukiman government in August and September 1951 was the catalyst for the first formal split in Sarbupri. Towards the end of August ten sub-branches in Jember, Sitobondo and Bondowoso, in East Java, broke away to form what they at first called a Sarbupri Merdeka (Independent Sarbupri) but quickly renamed Perbupri, although it had no connection with the Sumatran union of the same name. Leaders of the breakaway group spoke of their opposition to Sarbupri's close connections to the PKI.[94] Personal conflicts also played a part. The Sarbupri central executive had recently accused Jember leaders of corruption. A further split in Sarbupri occurred in October 1952, after the central executive dismissed Soefron, its commissioner for North Sumatra. Soefron responded by creating his own union, calling it Serikat Buruh Perkebunan, the same name as the union he had led into a fusion with the Java-based Sarbupri a year earlier.[95]

The most serious split in Sarbupri occurred immediately after its third congress in December 1952 adopted a new constitution with a more centralised structure. A number of regional commissioners lost their power and their income. Coerdian was deposed as chairman, accused of corruption and monopolising power for his own benefit, although he retained his position on the national council. Not so Djono, the commissioner in Sukabumi, West Java, who was not only stripped of his paid position but also lost his place on the national council. Djono rejected the changes and immediately organised a

[93] In 1951 Perbupri had an estimated membership of 60,000, whereas in 1956 the number had fallen to an estimated 23,113. See Amembassy Jakarta, Despatch no. 367, 19 Dec. 1955, in Department of State, Indonesia Labor Reports 1955–1956, NARA.

[94] *Pedoman*, 28 July 1951. See also Consul Surabaya to High Commissioner, 15 Sept. 1951, in Archief Hoge Commissariaat Indonesie, Inv. no. 318, NADH.

[95] Consul Medan to High Commissioner, 31 Oct. 1952, in Archief Hoge Commissariaat Indonesie, Inv. no. 318, NADH; Stoler, *Capitalism and Confrontation*, p. 132.

meeting of 36 sub-branches in Sukabumi and Bogor, West Java. He told delegates that the recent Sarbupri conference was illegitimate because it had been undermined and controlled by the PKI for its own ends. Not only was the chairman of the congress a member of the PKI, argued Djono, but other party members shouted down opposing voices and ensured that those opposed to them were removed from the daily executive. He accused PKI members in Sarbupri of engaging in sectarianism because the PKI and Sobsi wanted access to Sarbupri's funds. Djono declared himself the legitimate Sarbupri commissioner in Sukabumi regency and called on Coerdian to reactivate the old executive.[96]

The cause of the split was both ideological and personal. In a press release, which the West Java representative of the ALS admitted he helped draft, Djono launched an attack on the Sarbupri leadership and the PKI.[97] In response, the Sarbupri central executive argued that the congress was a democratic meeting under union rules where all delegates could put forward their view and that Djono had not been re-elected because he lacked organisational skills and had used his position as commissioner in Sukabumi for his own financial benefit. It accused Djono of being soft with plantation managers because he wanted contracts to supply building materials for a company of which he was a shareholder. It also accused him of getting extra money from members to purchase a car and a building for Sarbupri but instead using the money himself.[98]

Djono soon disappeared from the union scene, arrested by the Bandung military police for theft of a large quantity of rubber and subsequently jailed.[99] But opposition to dominance of the Sarbupri central executive by members of the PKI permanently split the union

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[96] This paragraph is dependent on a Dutch translation of the Indonesian minutes of the meeting in Sukabumi, dated 31 January 1953, enclosed in Archief Commissariaat te Surabaya, Inv. no. 1737, NADH.

[97] See *Locomotief*, 21 Feb. 1953. The Netherlands Bandung consul reported the involvement of C.E. Wenckebach, the West Java representative of the ALS, in drafting Djono's press release critical of the PKI. Consul Bandung to High Commissioner, 21 Feb. 1953, in Archief Hoge Commissariaat Indonesie, Inv. no. 318, NADH.

[98] Sarbupri Central Executive No. 24/Secr/DPP/53, "Verklaring van het Hoofdbestuur Sarbupri naar aanleiding van het rondschrijven van Djono c.s. Sukabumi", enclosed in Consul Bandung to High Commissioner, 23 Mar. 1953, in Ibid.

[99] See Consul Bandung to High Commissioner, 6 June 1953, in Ibid.

and increased the antagonism between Sarbupri and other plantation workers unions in Sumatra, especially Perbupri. In February 1953 a few Sarbupri sub-branches in strongly Islamic West Java left to join the SBII, and throughout the year there were reports of other sub-branches deserting. There were reports, for example, that in the last few months of 1953, 12 sub-branches in West Java transferred their allegiance to the SBII or Perbupri or formed an independent union, Sarbupri Proklamasi. There were also reports of sub-branches at Subang, West Java, and Palembang, South Sumatra, joining Perbupri.[100]

By the middle of 1953 Coerdian had marshalled the dissident sub-branches that had not joined the SBII into a new union, called Sarbupri (non-Sobsi).[101] In April 1954 he was joined by Erningpradja, the former deputy chairman of Sarbupri and its representative in the national parliament. In announcing his move to Sarbupri (non-Sobsi), Erningpradja stated that "the workers' struggle must be based on national goals and not be influenced by any political party".[102] Erningpradja's time at Sarbupri (non-Sobsi) was short. In June he joined the PNI faction in the national parliament and became one of the key leaders of the PNI's union, the KBKI, which quickly extended its influence into the plantations. The Coerdian-led Sarbupri (non-Sobsi) joined Sobri.

The schisms in Sarbupri provided the ALS with an opportunity to weaken its major antagonist. In December it ended its exclusive recognition of Sarbupri by formally recognising the SBII, Perbupri and Sarbupri (non-Sobsi) and signing a collective agreement with them. Sarbupri was fiercely critical of the three unions, arguing that they were well aware that Sarbupri had rejected the terms of the agreement. It stated that the agreement was a "gift" by the ALS to weak unions and that the ALS was frightened of Sarbupri because it had forced an agreement in 1950 by a strike.[103] It sharpened its attacks on Coerdian, with Sastradiredjo telling a public meeting that "He worked for the interests of the Dutch masters and no longer for

[100] Consul Bandung to High Commissioner, 15 Aug. 1953 and 26 Aug. 1953, in Ibid.
[101] High Commissioner Indonesia to Minister of Foreign Affairs, 24 Dec. 1953, in Archief Ministerie van Buitenlandse Zaken, 1955–1964, Inv. no. 12252, NADH.
[102] *Pedoman*, 7 Apr. 1954.
[103] See High Commissioner, "Afbrokkeling van de Sarbupri", 21 Dec. 1953, in Archief Hoge Commissariaat Indonesie, Inv. no. 318, NADH.

the interests of plantation workers."[104] Coerdian, Soefron and the SBII were described as false leaders working to break the unity of workers in their struggle against foreign capitalism.[105]

Plantation workers were a focus for the SBII, especially in the more strongly Islamic areas of West Java and Aceh. In West Java the union worked with Masyumi to try to counter Sarbupri's dominance. Some plantation managers were happy to support the SBII as a moderate alternative to Sarbupri, but others were wary that any support would lead to conflict with Sarbupri, with one manager reported as saying, "I know what I have, but not what I might get."[106] Sarbupri regarded the SBII as a serious threat, not least because when local sub-branches called strikes, SBII members often kept working and sometimes the SBII recruited strike-breakers. It stepped up its propaganda, reminding workers of the effectiveness of the strike weapon in forcing employers to improve wages and conditions. It rejected the SBII/Masyumi argument that it was anti-religion and a tool of the PKI, reiterating that it was a labour union, not a political party, and represented workers of all religions and political beliefs. In the Sukabumi area of West Java it was reported as trying to counter the SBII by arranging meetings at local mosques but encountering resistance from religious leaders.[107] One West Java plantation was asked to establish a "Sarbupri mosque". Another was asked to pay SBII members less than Sarbupri members on the grounds that Sarbupri had worked for improvements in wages and conditions whereas the SBII had not.[108] There were reports of conflicts on plantations where the workforce was divided between the two unions. This sometimes led to local strikes. An example is from Banten, West Java, in March 1953 at a rubber plantation where the tappers and at least one foreman had moved to the SBII but the factory workers had stayed with Sarbupri. The factory workers went on strike

[104] *Berita Organisasi Sarbupri*, 5 Apr. 1954, p. 165.
[105] See, for example, "Perkuat Sarbupri untuk mentjapai kemenangan2 jang lebih besar", *Warta Sarbupri*, Feb. 1955, pp. 23–30.
[106] See Minute, High Commission Jakarta, 10 June 1953, in Archief Hoge Commissariaat Indonesie, Inv. no. 318; and High Commissioner Indonesia to Minister of Foreign Affairs, 11 June 1953, in Archief Hoge Commissariaat Indonesie, Inv. no. 321, NADH.
[107] High Commissioner Indonesia to Minister of Foreign Affairs, 11 June 1953, in Archief Hoge Commissariaat Indonesie, Inv. no. 321, NADH.
[108] See Consul Bandung to High Commissioner, 31 Mar. 1953, in Ibid.

demanding the dismissal of an SBII foreman accused of discriminating against Sarbupri members.[109]

Rivalry between Sarbupri and its competitors in Sumatra was also intense. In 1954 Sarbupri gave examples of members in North Sumatra being pressured to join the OBPI. One head foreman told workers that they would receive benefits if they joined the OBPI and face difficulties if they did not. On another plantation, a Sarbupri activist was dismissed because he was trying to organise a sub-branch. Sarbupri protested, but the manager—intent on keeping the peace with the OBPI, which dominated his plantation—responded that "we want to make it clear that this was not our wish but the result of a written request from the OBPI organisation".[110] There were reports of other unions instructing their members to keep working during stoppages organised by Sarbupri sub-branches and of Sarbupri sub-branches refusing to strike in solidarity with other unions.

Despite the intense competition, unions often cooperated on industrial issues. This was particularly evident on the plantations themselves, where local leaders realised that they were more likely to achieve their demands through joint action. In 1955, for example, there were 500 industrial actions on the east coast of Sumatra plantations, ranging from go-slows to strikes. Sarbupri was involved in 383, Perbupri in 197, the OBSI in 108 and the OBPI in 77.[111] There were many reports of plantations trying to take advantage of inter-union rivalry or trying to exacerbate it but being confronted by union solidarity. For example, when in August 1953 the OBPI organised a strike of its members in the factory, workshop and office of a Sumatra rubber plantation, Sarbupri members, who were largely field workers, continued to work as usual. However, when the manager ordered 35 tappers to do the work of strikers in the factory, Sarbupri sub-branch leaders directed them to refuse, informing the manager that while they did not agree with the strike, they defended the union's right to strike and would never allow their members to be strike-breakers.[112]

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[109] Consul Bandung to High Commissioner, 7 Apr. 1954, in Ibid.

[110] "OBPI Menghendaki pemetjatan", *Berita Organisasi Sarbupri*, 5 Mar. 1954, p. 118.

[111] "Gegevens omtrent de stakingnen en go-slow acties gedurende 1955 op de ondernemingen ter S.O.K", Archief Ministerie van Buitenlandse Zaken, 1955–1963, Inv. no. 12313, NADH.

[112] *Berita Organisasi Sarbupri*, Sept. 1953, pp. 126–8.

Sarbupri was weakened by the competition in its Java heartland. Its finances, reports to congresses and memoranda to branches all indicate that 1953 was its peak year. Two official reports on East Java show that Sarbupri's position was under considerable pressure not just from anti-Communist unions but also from the Sobri-affiliated Sarbupri (non-Sobsi). A Netherlands consular report in May 1956 estimated that 50 per cent of the workforce on the East Java plantations were members of Sarbupri, 20–30 per cent members of Sarbupri (non-Sobsi), 20–30 per cent members of either Perbupri or the SBII, and 5–10 per cent members of Nahdlatul Ulama's union, Sarbumusi.[113] These estimates are broadly in line with a police report on the 95 plantations in the Besuki Residency of East Java. The report is undated but was most likely written in 1955, before the formation of Sarbumusi. It stated that 46,450 of the 59,475 workers on the plantations had joined a union, with 50 per cent members of Sarbupri, 30 per cent members of Sarbupri (non-Sobsi) and 14 per cent members of Perbupri. The SBII had only 439 members.[114] In June 1956 the Sarbupri (non-Sobsi) congress claimed that the union had 140,000 members on the Java plantations, a figure consistent with other reports that it had attracted around 30 per cent of the workforce.[115]

Collective Agreements

In 1950 the plantation industry entered into collective agreements with Sarbupri and Perbupri under duress. The restrictions on the right to strike imposed in 1951 removed any urgency for it to renegotiate them, and for the next six years it stalled all discussions with unions. It was content to force local disputes to the P4P and exert pressure on the government, convinced that this would have more favourable results than negotiating with unions. It saw little value in collective agreements of short duration that lacked a "no further claims" clause that could be enforced by the courts.

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[113] Consul Surabaya to High Commissioner, 31 May 1956, in Archief Commissariaat te Soerabaia, Inv. no. 1737, NADH.

[114] "Daftar: adanja perkebunan dalam daerah Keresidenan Besuki", Polisi Negara, Kantor Keresidenan Besuki, Bondowoso, n.d., enclosed in Arsip Sobsi, Inv. no. 46, ANRI.

[115] *Java Bode*, 9 June 1956.

In February 1952 Avros issued a detailed union policy that changed little over the next six years. All issues of principle were to be managed by Avros, with local agreements put into writing and copied to its Medan head office. Plantation managers were to limit their contact to local union officials and discussions to the implementation of agreements between Avros and union central executives. They were warned against interfering in the internal affairs of unions and favouring one union over another. They were also advised to provide unions with meeting spaces and allow officials to do a reasonable amount of union work during working hours but not pay them while they did this. Plantations were not to collect fees on behalf of unions and were not to allow unions to collect fees when pay clerks were paying workers their wages. Union publications were to be permitted to be circulated on plantations only after they had been vetted, with police and the local Labour Office informed of any considered unlawful or inadmissible. Managers were reminded that unions had no right to be involved in issues such as the allocation of tasks, dismissals, transfers and promotions.[116]

The strike ban of February 1951 brought the Sarbupri/Perbupri strike on the east coast of Sumatra to an end. The plantation industry was not classified as a vital industry, but the government made it clear that it would move against union leaders if they did not order a return to work.[117] The Sarbupri central executive was at first defiant, arguing that the strike was legal, but caved in after the P4P instructed it to order workers to return to work and await the decision of an inquiry.[118]

The strike was over but the dispute far from resolved. The hiatus between the resignation of the Natsir government on 21 March and the formation of the Sukiman government on 26 April slowed the establishment of the P4P inquiry. As a result, unions and Avros agreed to extend the 1950 agreement to 15 August 1951 in order to enable negotiations to continue in Jakarta and Medan.[119] The two sides averted further industrial action over Lebaran payments when

[116] "Verhouding met de Vakvereenigingen van Ondernemningleiders op de Ondernemingen aangesloten bij de Avros", 27 Feb. 1952, in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, Inv. no. 133, NADH.
[117] *Nieuwsblad voor Sumatra*, 26 Feb. 1951.
[118] *Antara*, 22 Feb. 1951, in *Situasi Perburuhan*, Feb. 1951, p. 20.
[119] *Vrije Pers*, 13 Apr. 1951.

at the end of May Avros announced that it would make a "goodwill gift" of one month's wages to plantation workers. Sarbupri and Perbupri had demanded an extra one month's wages, but plantations had only made an advance of that amount. The "goodwill gift" was made on the same payday that workers were required to repay the advance, thereby ensuring they received their monthly wages as usual.[120]

Negotiations over a new collective agreement for plantation workers on the east coast of Sumatra were managed by Sarbupri's east coast of Sumatra district in cooperation with the Medan-based Perbupri central executive. The Sarbupri central executive became involved when discussions moved from Medan to the Ministry of Labour in Jakarta, but it was not in control. Frustrated by P4P delays, on 4 July Sarbupri east coast of Sumatra district gave the legally required three weeks' notice that if there was no decision by 25 July it would once again begin industrial action.[121]

The threat had the desired effect. The commission of inquiry quickly held discussions in Medan with all parties to the dispute, and on 24 July the P4P announced its decision, couched as a recommendation though both sides understood the pressure to accept. It recommended an increase in the minimum daily wage to Rp.3.25 and Rp.3.50 for the more profitable tobacco plantations, with women to receive the same as men. This compared with the existing minimum wages of Rp.2.15 for men and Rp.2 for women and Rp.2.68 for men and Rp.2.20 for women on the tobacco plantations. It also created a new schedule of free food and subsidised textiles, in response to pressure from unions that the inflationary risk on essential items should be moved from workers to employers. Plantations were required to provide their free in-kind distribution for the period of the Sarbupri strike (26 January to 25 February) and for the period of the Perbupri slowdown.[122]

Initially Sarbupri leaders on the east coast of Sumatra described the recommendations as "weak and vague", but by 16 August under pressure from the Sarbupri central executive they accepted them. Perbupri leaders also accepted the decision. Avros agreed to increase

[120] *Nieuwsblad voor Sumatra*, 14 June 1951.
[121] *Nieuwsblad voor Sumatra*, 29 June 1951, quoting a report in the Medan newspaper *Rakjat*.
[122] *Nieuwsblad voor Sumatra*, 14, 21, 27, 31 July 1951.

minimum wages but rejected the new free in-kind schedule. The P4P was asked to reconsider.

The dispute was overtaken by the changes in September 1951 that removed the distinction between vital and non-vital industries, giving the P4P power to make binding decisions in all disputes. In October the P4P made its first determination under the new rules by issuing a binding decision on the long-running dispute on the Sumatra plantations. It confirmed its July decision on wages and the free distribution of food, further stating that companies were obliged to abide by the labour laws of a maximum seven-hour day and 40-hour week, with paid overtime and extra pay for Sunday work. The decision was backdated to 25 February, the date the strike ended, and operated until October 1952.[123]

The long campaign by Sarbupri and Perbupri had resulted in a major victory, but the P4P decision related only to day-wage field workers.[124] Unions and employers were instructed to continue negotiating a comprehensive agreement to include wage rises for monthly paid workers and day-wage workers employed outside the fields. The united front between Sarbupri and Perbupri now broke down, reflecting that Sarbupri's base was among the low-paid day-wage field workers whereas Perbupri had a significant membership among monthly paid workers and day-wage people working in and around the plantation factories. In mid-December Avros and Sarbupri issued a joint statement that they had reached agreement on most issues and expected to resolve the remaining ones in the near future. The agreement included wage increases of up to 40 per cent on a graduated scale, with the lowest-paid receiving the most. Perbupri demanded a wage rise of 50 per cent for all workers, without exception. The P4P once again had to arbitrate.[125]

On 18 February 1952 the P4P issued yet another binding decision, this time described as final. It established wage rates for workers

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[123] Decision of the P4P, No P4/M/51/1, 15 Oct. 1951, in *Tindjauan Masa'alah Perburuhan*, Oct./Nov. 1951, pp. 53–4.

[124] Avros continued its policy of trying to minimise the impact of P4P decisions by interpreting them narrowly. It recommended that plantations make the back pay only to workers who were earning the minimum wage. Circular no. 14, 21 Jan. 1952, in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, Inv. no. 133, NADH.

[125] See "Joint Statement of Avros/DPV and Sarbupri", in Circular no. 179/51, 17 Dec. 1951, in Ibid.

under the age of 18 and increased wages for higher-paid day-wage workers and monthly paid workers on a sliding scale: a 40 per cent rise for those earning up to Rp.150, reducing to 20 per cent for those earning Rp.450 or more. Sarbupri's argument won the day: as a matter of justice, lower-paid workers should receive a higher percentage increase.[126]

The issue of how and when back pay to 25 February 1951 would be paid remained unresolved. In October 1951 the P4P had instructed employers to pay workers the backdated increases from August immediately but delayed a decision on payment for the five months February to July. The sum involved was Rp.30 million, amounting to an average of about Rp.150 for each worker, or the equivalent of a month's wages. The public position of the P4P was that such a large amount of money suddenly in the hands of plantation workers would drive up prices in the markets. The unstated concern may have been a fear that Sarbupri would claim a percentage of the back pay and that some of this would flow through to Sobsi. The government was increasingly worried about what it saw as the growing threat of Sobsi unions and wanted to avoid Sobsi gaining an injection of money. Employers shared the government's concern, proposing that the money be set aside to build houses for workers. Not surprisingly, Sarbupri argued that the money belonged to workers and should be paid to them. Perbupri, probably also concerned about the growth of Sarbupri, accepted that the money should not be paid as cash but wanted it used to establish consumption cooperatives for plantation workers.[127]

On 8 October, just one week before the collective agreement between Avros and the unions formally expired, Minister of Labour Tedjasukmana decided to put the Rp.30 million into a welfare fund for plantation workers.[128] Both Perbupri and Sarbupri rejected the decision and threatened a total plantation strike from 25 January 1953 if Tedjasukmana did not reconsider.[129] He came in for fierce criticism, with Sarbupri and Sobsi describing him as an anti-Communist

[126] P4P decision P4/M/52/91, 18 Feb. 1952, reproduced in Ibid.
[127] See Avros Circular no. 35/DM, 18 Oct. 1952, in Ibid.
[128] Decision of the minister of labour, 8 Oct. 1952, in Ibid.
[129] The joint statement is enclosed in Avros Circular no. 53/DM, 24 Dec. 1952, in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, Inv. no. 133, NADH.

reactionary intent on supporting foreign capitalist monopolies against workers.[130] In their view a social welfare fund was the responsibility of employers, and they rejected the argument that if workers were paid what they were owed in full they would immediately spend it on consumption items that would cause an increase in inflation. There had been no increase in inflation, they argued, after Rp.26 million in Lebaran payments had been made the previous year.[131] On 22 January 1953, just three days before the planned strike, Tedjasukmana caved in to the pressure. The P4P instructed Avros to pay 20 per cent of the Rp.30 million in cash and deposit the balance in Bank Negara Indonesia in Medan in the name of each worker. Sarbupri and Perbupri called off the strike but made it clear that they would continue to press their case.[132]

The minister of labour was eventually forced to establish a committee to decide how to use the money deposited in Bank Negara Indonesia. All Sumatran plantation workers unions were represented on it. In June Rp.15.6 million was released and dispersed through the unions in proportion to their membership.[133] The remainder of the money seems to have been released later in the year. No doubt unions pressured the Ministry of Labour to allow them, rather than the plantations, to distribute the money in order to boost their standing with workers. Equally importantly, it enabled them to claim a commission, which was an important boost to their ailing finances.

The September 1953 Strikes

While pressuring Tedjasukmana to change his decision on back pay for workers in North Sumatra, Sarbupri and Perbupri were also trying to negotiate new collective agreements for workers in both Sumatra and Java. By mutual consent, the Avros agreement with Sarbupri and Perbupri had been extended to October 1952 and the agreements

[130] *Abadi*, 12 Jan. 1953.
[131] *Harian Rakjat*, 10 and 17 Jan. 1953; *Abadi*, 22 Jan. 1953.
[132] See "Keterangan Penundaan Aksi", Sobsi regional executive, Medan, 22 Jan. 1953; and Avros Circular no. 7/DN, 23 Jan. 1953, in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, Inv. no. 133, NADH.
[133] The membership breakdown was: Sarbupri 57.7 per cent, Perbupri 19.2 per cent, OBPI 17.3 per cent, PBM 3.4 per cent, SBP 1.68 per cent, SBII 0.8 per cent and SBKB 0.19 per cent. See *Berita Organisasi Sarbupri*, 15–22 July 1954, pp. 343–4.

between Sarbupri and the ALS/ZWSS/Bebto and the state-owned PPN until the end of the year. Negotiations were difficult. Employer associations sought to claw back existing conditions and were content to force disputes to the P4P. As part of their strategy, they constantly lobbied the government, arguing that the industry was in a parlous state.

Just before its existing agreement with Sarbupri and Perbupri expired, Avros requested the P4P to extend it for a further year. Realising that this was yet another delaying tactic the P4P refused, forcing Avros to meet with Sarbupri and Perbupri in February and March 1953. Sarbupri put forward a comprehensive set of demands, including a minimum daily wage of Rp.7.50 and an extended free food package. It argued that since the 1950 collective agreement productivity had increased and a large part of the Rp.550 million profits made by Dutch companies in Indonesia in 1952 came from the plantations: "Sarbupri's demands are in fact not that great. The share [of profits] demanded is only enough to enable people to purchase the necessities for a simple life.... the demand to increase the wages of plantation workers is fair and reasonable ..."[134]

Although Avros later claimed that talks failed because unions could not agree on a common set of demands, this was only partly true. The major reason was that Avros presented Sarbupri and Perbupri with demands they had no option but to reject. It wanted the new agreement to contain a clause requiring disputes between sub-branches and plantations to be referred to Avros and the national executives of the unions. It wanted workers to work a full 40-hour week and, in order to improve attendance and productivity, to calculate daily wages on an hourly basis, with bonuses for extra effort at the discretion of employers. It also wanted to change the definition of a family to a non-working wife and a maximum of two children, thereby resulting in large savings for the industry. Finally, it wanted plantations to have the right to make redundancies for "technical reasons" without having to abide by government regulations and to abolish the extra 25 cents a day paid to tobacco workers.

Avros offered no compensation in return for these new conditions. It was prepared to maintain current wages and in-kind packages but wanted to increase the cash and decrease the in-kind

[134] *Warta Sarbupri*, Mar. 1953, p. 33.

component. The effect would have been to shift some of the risk of inflation back to workers. Avros also said that it would improve some social provisions such as leave regulations and incorporate Lebaran payments and annual bonuses into the agreement.[135] In an effort to find a long-term solution to the ongoing disputes, on 1 April the minister of labour established yet another inquiry into labour relations in North Sumatra before the P4P made a binding determination.

At the same time as Sarbupri and Perbupri were in dispute with Avros, Sarbupri was also confronting the Java and South Sumatra plantation industry. In the light of employers' delaying tactics Sarbupri believed that it would only achieve a new collective agreement through industrial action. It devised an industrial campaign based on strong central control, thorough preparation at the local level, worker discipline and support from Sobsi branches, and sympathetic unions. On 13 March it informed branches and sub-branches of the timeline of the first two stages of the campaign and outlined their responsibilities.[136] The first stage would focus on educating members once Sarbupri's demands had been lodged with employer associations. Branch leaders were instructed to discuss with local Sobsi leaders ways of relating national demands to local conditions, after which they should issue clear instructions to sub-branches. Public meetings and meetings with other organisations should be organised in order to ensure widespread understanding of the justice of Sarbupri's demands, and sub-branches should explain them to plantation workers and spread the union's message to nearby villages. Delegations should impress on plantation managers the seriousness of their intent, with a view to managers pressuring employer associations to accept Sarbupri's demands.

The second stage would start after the Sarbupri central executive began negotiations with employer associations and the state-owned plantations. Weekly progress reports would be sent to branches. Branches were instructed to maintain workers' morale, coordinate the actions of sub-branches and ensure that any instances of provocation were reported to the central executive. Each week sub-branches

[135] "Algemeene Arbeidsvoorwaarden voor Ondernemingsarbeiders in Noord-Sumatra", Avros Circular no. 53/DN, 22 May 1953, in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, Inv. no. 133, NADH.

[136] Dewan Pimpinan Pusat Sarbupri, "Surat Edaran no 65/Secr/DPP/Org/53", Jakarta, 13 Mar. 1953, in Arsip Sobsi, Inv. no. 233, ANRI.

should assemble workers in front of plantation managers' offices and ask about the progress of union demands. Slogans should be affixed around the plantation with wording such as: "just demands", "employer must accept", "workers request a wage rise" and "If not accepted, strike".[137] They should ensure that the union demands were a topic of daily conversation on the plantations, in the fields and in the markets so that as many people as possible—members, non-members and villagers alike—were aware of the union campaign.

Branch and sub-branch leaders were warned of problems likely to be encountered in implementing the campaign. It was important to promote unity among workers, whether or not they were Sarbupri members, and to emphasise that Sarbupri was the only organisation that could improve wages and conditions. They should also resist provocation from employers and other "reactionary" groups. Above all, the central executive stressed that there must be no anarchism. Branches must control sub-branches and sub-branches must control sections, groups and individual members. All action must be in strict accordance with instructions from Jakarta: "Each step must be organised and implemented by the central executive and there must be no independent action. The discipline of members and committees must be strengthened. The timing and form of all action must be carried out as planned."[138]

Sarbupri's draft collective agreement was an ambit claim that included improved wages and in-kind payments, higher pensions, improved housing, an extra month's gross pay for Lebaran, and improved health provisions.[139] It sought to improve the position of female workers, including maternity leave, company-provided midwives, child-minding facilities and equal pay for equal work. The claim also included a demand that employers recognise Sarbupri as the sole representative of workers, have no connection with other unions, and allow branch and sub-branch Sarbupri officials to carry out union duties during working hours.

The 1950 agreement had provided a minimum wage of Rp.3 in cash and one kilo of subsidised rice. Sarbupri demanded a minimum daily cash wage of Rp.5 for Java workers, plus subsidised rice and an

[137] Ibid, p. 2.
[138] Ibid.
[139] The draft collective agreement is an attachment to Dewan Pimpinan Pusat Sarbupri, "Surat Edaran no 65/Secr/DPP/Org/53", Jakarta, 13 Mar. 1953, in Ibid.

increase in the minimum wage for monthly wage earners to Rp.195. For workers on plantations outside Java it wanted a minimum daily wage of Rp.7.50 and a minimum monthly wage of Rp.260, plus subsidised rice. In justifying the increase, it cited Bureau of Statistics figures which revealed a 60 per cent increase in labour productivity on the plantations between the end of the August 1950 strike and December 1952. Workers, stated Sarbupri, would be even more productive if they did not have to worry about their survival.[140]

Employer responses revealed the enormous gulf between the two sides. They admitted that the cost of living had increased since the October 1950 agreement but insisted that the industry could not afford to increase wages because of the decline in commodity prices. According to Sarbupri, the ALS stated that it would negotiate only if the union ceased recruiting seasonal workers on the plantations and agreed to the replacement of day-wage workers with labourers employed by contractors. Sarbupri flatly refused, well aware that contract labourers were paid even less than the existing minimum wage and received no in-kind allowances. The state-owned plantation company (PPN) agreed to incorporate the Lebaran allowance into an agreement but insisted that Sarbupri make no other wage claims for one year.[141] Sarbupri accused it of abandoning the earlier more progressive attitude to workers in favour of falling into line with the ALS.[142]

Negotiations stalled, and the matter was referred to the P4P. At a press conference on 31 May Sarbupri announced that it would commence industrial action in June on both foreign- and state-owned plantations. It drew attention to the thousands of workers paid only Rp.3 a day while Dutchmen employed by PPN as plantation managers were paid an annual salary of Rp.71,031, or Rp.222 a day. The position, it said, was even worse on the more profitable foreign-owned plantations: "It is therefore not inaccurate to say that the plantation environment of heaven and hell created by the former Dutch government still exists now."[143] Already dealing with the Avros dispute in the Sumatran plantation industry, the minister of

[140] *Harian Rakjat*, 5 May 1953.
[141] Sastradiredjo, "Perdjuangan setjara massa djaminan berhasilnja tuntutan kita", *Warta Sarbupri*, July 1953, p. 107.
[142] *Harian Rakjat*, 21 May 1953.
[143] *Harian Rakjat*, 1 June 1953.

labour forced Sarbupri to postpone strike action by establishing yet another inquiry into plantation workers' wages and conditions.[144]

On 29 June employer associations and Sarbupri were summoned to a formal hearing in Jakarta at which they made their cases. Sarbupri stated that its wage demand was based on the minimum daily cost of living, not the economy of the industry, because employers consistently refused to disclose the cost of production. When pressed to reduce the size of its demands, it refused unless provided with information on the cost of production. Employer representatives refused to provide this, arguing that the depressed conditions of the industry meant that if workers wanted a wage rise, they must work harder and more efficiently. The P4P rejected this argument, noting that many plantations had increased the wages of Indonesian staff employees since October 1950.[145]

The PNI-led Wilopo government fell on 2 June 1953. Sarbupri had been an increasingly trenchant critic of what it called the reactionary policies of the Masyumi-led cabinets of Natsir and Sukiman. It viewed the Wilopo cabinet as more progressive but still containing reactionary forces, by which it meant members of Masyumi. It was particularly scathing about Tedjasukmana, the minister of labour since March 1951. Angered by Masyumi publicly opposing a wage rise for plantation workers, it wanted no Masyumi or PSI people in the new cabinet and no role for Tedjasukmana.[146] When on 31 July a new cabinet led by the PNI's Ali Sastroamidjojo was sworn in by President Sukarno, Sarbupri joined Sobsi in welcoming it in the belief that it would be supportive of unions.

Sarbupri's support of the Ali government was sorely tested on 18 August when the P4P issued a decision on its dispute with the Java and South Sumatra plantation industry. It accepted Sarbupri's argument that there had been significant inflation since the collective

[144] "Sekitar tuntunan kenaikan upah, tjata tjuma2 dan tundjungan Hari Raja", *Warta Sarbupri*, May 1953, pp. 88–9.

[145] Detailed notes on the P4P meeting are contained in High Commissioner to Minister of External Affairs, 29 Aug. 1953, in Archief Ministerie van Buitenlandse Zaken 1955–1964, Inv. no. 12122, NADH. In May 1951 the P4P had asked Avros to specify the wage component of total industry costs per plantation. See Resume of a Meeting of the Centraal Commissie van Grootlandbouw Organisasi, 18 May 1951, in Archief Federabo, Inv. no. 10, NADH.

[146] *Harian Rakjat*, 24 June 1953; *Abadi*, 12 Aug. 1953.

agreement of October 1950 but argued that this affected only Rp.2.05 of the Rp.3 a day wage because the other 95 cents had been transformed into a kilo of subsidised rice. It then applied the 53 per cent official inflation figure to the Rp.2.05, which justified a rise of Rp.1.09. However, it accepted employers' argument about the poor financial situation of the industry and decided that the minimum wage should rise by only 50 cents a day to Rp.3.50. Monthly paid workers were awarded an increase of Rp.15. The price of subsidised rice was reduced from 95 to 70 cents a kilo. The new rates were to be effective from 1 July to 31 December, with the P4P leaving open the possibility of a reconsideration of the decision at the end of the year if circumstances changed. Employers and Sarbupri were also instructed to discuss broader issues in the industry, including productivity, under the leadership of the minister of labour.[147]

Sarbupri immediately protested to the new minister of labour, Abidin, arguing that the decision had been made under the influence of Tedjasukmana and had the effect of pitting the new government against workers.[148] It kept up the pressure on the Ali government, arguing that it had established a minimum wage of Rp.4.50 for its own workers in Java, which was well above that of plantation workers: "It is clear that the P4P believes that plantation workers should continue to live as they did under colonialism." Given the large profits of foreign companies, it called on cabinet to "correct" this anti-worker decision, arguing that "The P4P is a rotten legacy of Tedjasukmana, the architect of emergency law 16 that had been continually opposed by workers and the public generally and must be abolished in its entirety."[149] After the P4P confirmed its decision, Sarbupri announced that it would organise rolling strikes from the middle of September if the government did not intervene.[150] Chief Public Prosecutor

[147] *Nieuwsblad voor Sumatra*, 24 Aug. 1953.

[148] Statement of the Sarbupri central executive, in *Abadi*, 24 Aug. 1953. See also the press release of the Sarbupri daily executive statement on 11 August, which described the P4P decision as "a final effort to defend foreign monopoly capitalism by a reactionary group in the former cabinet". *Abadi*, 12 Aug. 1953.

[149] "Sarbupri bantah keterangan P4P", *Harian Rakjat*, 29 Aug. 1953.

[150] *Trompet Masjarakat*, 5 Sept. 1953. Sarbupri stated that PPN plantations would be exempt from strikes and that it would continue discussions with PPN management because the government-owned enterprise's attitude was more progressive than that of foreign-owned estates.

Suprapto warned that a strike was illegal and if it occurred he would take action against Sarbupri leaders.

Ignoring the warning, on 13 September Sarbupri ordered a strike on the Java and South Sumatra plantations to begin on 15 September. In a final effort to avert a conflict, the government summoned Sarbupri to a meeting on 14 September where Abidin stated that he was prepared to revisit the P4P decision if Sarbupri produced new evidence in support of its claim. Sarbupri responded that this was impossible because it could not reach agreement with employers on the cost of production. It refused to call off the strike, arguing that it was directed at foreign-owned companies, not the government.[151] Suhaimi Rachman later admitted that Sarbupri had taken action because it knew from experience that the P4P would only reconsider a decision in the face of industrial pressure.[152]

Sarbupri planned a series of rolling strikes, alternating two-hour sit-down strikes with normal working days and full-day strikes in order to maximise the impact on plantations but minimise the impact on workers by ensuring they lost only small amounts of pay. Before it was called off after three days, the strike mostly took the form of a series of two-hour sit-down actions, though a few sub-branches broke ranks by holding a full-day strike on one of the three days.[153] The strike was called off after a further meeting between Sarbupri leaders and the minister of labour during which Abidin stated that he had consulted the prime minister and other members of the P4P and they had agreed that the P4P would reconsider its decision of 18 August. The P4P took another three months to reconsider its earlier binding decision. Having brought the strike to an end the government was clearly in no hurry, despite Sarbupri protests that the reconsideration was taking far too long. On 10 November Abidin signed a final binding decision. The cash wage was unchanged from the August determination, but plantations were now obliged to supply workers with a kilo of rice each day at a cost of 30 cents instead

[151] *Abadi*, 15 Sept. 1953; *Trompet Masjarakat*, 14, 15, 16, 17 Sept. 1953. For a detailed report by a British embassy official on the events leading up to 15 September, based on discussions with Jakarta officials, see R. Brash to J.A. Black (Foreign Office), Jakarta, 28 Sept. 1953, in LAB 13/1466, NAB.
[152] *Harian Rakjat*, 23 Sept. 1953.
[153] See *Abadi*, 19 Sept. 1953; and *Vrije Pers*, 16 Sept. 1953.

of 70 cents, in effect increasing the daily wage by a further 11 per cent. Neither Sarbupri nor employers were pleased with the decision. Sarbupri protested that this meant no increase for workers outside Java who already had a free food package, while the ALS also protested that the government had given way to industrial action and that the extra cost would force many marginal plantations to close.[154]

In contrast to the three-week strike in 1950, not all workers on the Java and South Sumatra plantations took part in the September 1953 action. Government, employers and Sarbupri had different assessments of participation rates, but it is clear that it varied from plantation to plantation. Probably between a quarter and a half of workers took part, with reports that some Sarbupri sub-branches were reluctant to be involved. More significantly, whereas in 1950 all unions had supported the strike, in 1953 Perbupri and the SBII instructed their members to keep working. Moreover, groups that had broken away from Sarbupri earlier in the year also refused to support Sarbupri.

Suprapto made good on his threat to prosecute Sarbupri leaders if they went ahead with a strike. He targeted branch and sub-branch leaders rather than the central executive in a determined effort to weaken grassroots support for the union. By the end of 1953 over 540 branch and sub-branch leaders had been arrested, interrogated and charged with breaking the 1951 emergency law. Most were jailed for two weeks to three months. Sarbupri tried to protect local leaders by arguing to the government, as well as to the courts, that they were simply functionaries obeying central directive and that responsibility lay with the Jakarta central executive.[155] The argument was rejected.

The arrest of Sarbupri leaders after the September sit-down strikes took some of the shine off the union's initial enthusiasm for the Ali government. Sarbupri was not the only union targeted. In May 1954 some 532 labour union leaders were in detention for breaking the 1951 emergency law, of whom 492 were from Sarbupri, 28 from the sugar workers union (SBG), nine from the metalworkers union (Serikat Buruh Industrie Metal, SBIM), and three from the

[154] *Harian Rakjat*, 16 Nov. 1953; *Java Bode*, 26 Nov. 1953.
[155] The Sarbupri letter to the government was reported in *Trompet Masjarakat*, 23 June 1954.

harbour workers union (SBPP).[156] All were unions affiliated to Sobsi. In further evidence that it was targeting Sobsi-affiliated unions, the government took no action against Perbupri leaders for organising two-day strikes in early August and again in mid-September despite these being total strikes, not the two-hour rolling sit-down stoppages organised by Sarbupri. The August Perbupri strike was a protest against the Avros refusal to negotiate separately with it on a new collective agreement. The September strike was a protest against the P4P determination on wages and conditions on the north Sumatra plantations. Both were in contravention of the 1951 emergency law.[157]

Failure of Negotiations

The inability of plantation associations and unions to reach agreement on replacing the 1950 collective agreements forced continual intervention from the P4P to prevent strikes. Industry associations refused to discuss wage rises or improved conditions, insisting that negotiations focus on increasing productivity. Indeed, Avros argued that wages should be based on what the most marginal plantations could afford. In January 1954, responding to the ALS reiterating that the industry could not afford further wage rises, Sarbupri argued that reduced profitability of the industry had nothing to do with productivity, which had increased since independence, but was the result of falling prices as a consequence of the export policies of the United States. It refused to accept that workers should bear the risk of falling prices, making the reasonable point that in earlier years when prices were high the industry had not rushed to increase wages: "It is clear that it is unjust and dishonest if plantation workers are required to bear the risk, because when the price of rubber increased (before the politically motivated embargo) no employer showed any intention of increasing their wages."[158]

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[156] See Surabaya Consulate, Monthly Summary of Events in East Java, May 1954, British Embassy Jakarta, in FO 371/112140, NAB.

[157] On the Perbupri strikes, see *Nieuwsblad voor Sumatra*, 11 Sept. 1953. The chief public prosecutor was reported to have ordered the interrogation of the Perbupri chairman, Silitonga, as a consequence of the strike on 11 and 12 September, but no further action was taken.

[158] Letter, Sarbupri Daily Central Executive to ALS, 9 Dec. 1953, in *Berita Organisasi Sarbupri*, 13 Jan. 1954, pp. 18–9.

Discussions on a new agreement were deadlocked, with the ALS refusing to consider not only increases in wages but also three other core issues for Sarbupri: working conditions, annual bonuses and restrictions on local industrial action. On working conditions, Sarbupri wanted day-wage workers to be paid if they were unable to work through no fault of their own. It cited occasions where plantations reduced workers' pay because rain prevented work or because the proper tools were not available. On annual bonuses, Sarbupri argued that despite the profitability of the industry and increased productivity and reduced costs per hectare, since 1950 workers had never received an annual bonus. It demanded a bonus of one month's wages from 1953 profits. On local industrial action, it wanted to remove the clause in the 1950 agreement that stated that Sarbupri would not organise a strike before using all means to reach agreement with the industry associations, because it was used by plantations to delay consideration of sub-branch requests.[159]

On 17 November 1954 Sarbupri informed the P4P of its intention to organise strikes in December on plantations owned by members of the ALS/ZWSS/Bebto in Java and South Sumatra. Once again the P4P established a committee of inquiry, thereby making industrial action illegal until it announced a decision.[160] In February 1955 the P4P ruled on the annual bonus and instructed the parties to continue negotiating a new collective agreement. It accepted Sarbupri's argument that the industry could afford to pay a bonus from its 1953 profits but decided that this should be only two weeks' wages. Even though Sarbupri got only half of what it wanted, the P4P decision was an important win for the union. Sarbupri kept up the pressure on the industry and the P4P by protesting that a bonus of two weeks' wages was inadequate.[161] It also called on the state-owned PPN to show that it was different from the foreign monopoly capitalists by paying the full one month's wages.

The battle was resumed the following year on both the Lebaran allowance and a bonus from the previous year's profits. Negotiations with the ALS on the Lebaran allowance broke down, with the ALS offering an advance and Sarbupri holding to the Sobsi policy of one

[159] *Warta Sarbupri*, Nov. 1954, pp. 203–4.
[160] *Algemeen Indische Dagblad*, 16 Dec. 1954.
[161] *Berita Organisasi Sarbupri*, 20 Feb. 1955, p. 1.

month's gross wage plus a food package and six metres of cloth for each worker and three metres for each family member. The issues went to the P4P for determination. With the Idul Fitri holiday falling on 23 May, Sarbupri stated that unless the P4P announced a decision by 15 May it would call workers out on strike.[162] Once again the threat of a strike worked. On 13 May the P4P instructed the plantation industry to pay the same Lebaran allowance as the government: two weeks' wages and an allowance of cloth. Sarbupri protested that the P4P decision was lower than that proposed by the ALS in a circular to members and objected to the decision that payment be made only to workers who had worked for three months before Lebaran. This enabled plantations to avoid paying seasonal workers who were employed every year but not necessarily for three continuous months before Lebaran. The government needed to remember, stated Sarbupri, that plantation workers in Java were part farmers rather than industrial workers.[163]

Sarbupri now turned its attention to a bonus based on 1954 profits. In July 1955 it demanded from the ALS/ZWSS/Bebto and PPN a bonus of one month's gross wages for all plantation workers, including day-wage, contract and seasonal workers. The ALS opposed any payment, even though it must have known that given the previous year's decision the P4P was likely to rule against it. It continued to assert that the industry could not afford a bonus, that many plantations were operating at a loss and that the focus should be on improving productivity. PPN responded that it could make no commitment pending a decision from the Ministry of Finance for all government enterprises. Frustrated by industry intransigence, at the end of September all of the unions on the Java plantations, with the exception of Sarbumusi, formed an Organisasi Buruh Perkebunan (Plantation Workers Organisation) to undertake joint action and promptly gave the P4P the required 21 days' notice of its intention to call a total strike on the Java plantations.[164]

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[162] "This Sarbupri demand is fair because of the increasingly large profits of employers as a result of the increase in the rubber price, but also because a Lebaran allowance is really part of the social wage that employers have incorporated into the cost of production" (*Berita Organisasi Sarbupri*, 20 May 1955, p. 1).

[163] *Berita Organisasi Sarbupri*, 20 May 1955, p. 1; 5 June 1955, p. 1; 20 June 1955, p. 1.

[164] *Berita Organisasi Sarbupri*, 20 Oct. 1955, p. 1.

The industry associations remained obdurate, continuing to believe that if unions threatened a strike the P4P would intervene, establish an inquiry and eventually make a determination on a few items while recommending continued negotiations on comprehensive collective agreements. The unions rightly saw this as a delaying tactic. In March 1955 the P4P had instructed Avros and unions to reach an agreement within six months. By the middle of 1955 the P4P had become impatient with the Java plantation industry. The government may also have been concerned that the unresolved dispute would impact the September national elections. It was probably no coincidence that on the eve of the election, 28 September, the P4P announced that it would increase the minimum wage for plantation workers by 75 cents in Java and 50 cents in South Sumatra to Rp.4.25. Java workers were now also to be provided with a free rice allowance.[165]

The Organisasi Buruh Perkebunan was unhappy with the P4P decision, as was Sarbupri. In late October the combined union committee wrote to the P4P and the minister of labour demanding that the minimum wage on Java plantations be increased to Rp.5 from January 1955, with all workers receiving a free rice allowance, a bonus for 1954 of one month's wages, and a free textile package for themselves and their families.[166] With a Kesatuan Aksi (United Action) committee in Sumatra, consisting of the 11 major unions, also making demands for increased wages and threatening industrial action, the P4P moved quickly to head off the possibility of a nationwide strike.[167] In late October it appointed another committee of inquiry into the North Sumatra plantations and in the meantime prohibited industrial action. On 8 November it finally ruled on the long-running dispute over bonuses for 1954 by requiring all plantations in Java and Sumatra to pay two weeks' gross wages to all permanent workers by the end of January 1956.[168]

Industry associations continued to insist that the industry could not afford improvements to wages and conditions and that the focus

[165] The P4P decision was published in *Berita Organisasi Sarbupri*, 5 Oct. 1955, p. 1.
[166] *Berita Organisasi Sarbupri*, 5 Oct. 1955, p. 1; 20 Oct. 1955, p. 1.
[167] See "Persatuan Aksi Pusat SB2 Perkebunan terbentuk", in *Berita Organisasi Sarbupri*, 30 Oct. 1955, p. 1.
[168] *Berita Organisasi Sarbupri*, 5 Dec. 1955, p. 1.

should be on increasing productivity. The unions continued to argue that productivity had increased in recent years, that most companies were profitable and that it was only fair that workers' wages be increased to reflect the increased cost of living. They accused the industry of hypocrisy because it continually increased wages and bonuses for European managers and staff. Sarbupri pointed to the 8 per cent dividend paid by the large company Handels Vereeniging "Amsterdam" (Trading Association "Amsterdam") in 1956—2 per cent higher than the previous year—as further proof that the industry could afford wage increases for its Indonesian workers.[169]

On 9 January 1956 the Kesatuan Aksi committee submitted a draft collective agreement to Avros. The major demands included an increase in the minimum daily wage from Rp.4.25 to Rp.7.50; housing for all workers; a polyclinic on every plantation along with a midwife, a nurse and a mobile ambulance; a pension of 75 per cent of final wage for those who had worked 25 years or more; a Lebaran payment of one month's wages; an annual bonus; and a cash payment reflecting market prices if a plantation was unable to supply an in-kind item.[170] On 16 January the Medan Labour Office chaired a meeting between the union committee and Avros that resulted in the formation of a tripartite committee to try to reach agreement.[171]

Negotiations again stalled, with Avros refusing to consider any wage increase or discuss most of the other items put forward by the unions. Instead, it tabled a set of its own demands.[172] Avros was worried that union branches and sub-branches, especially those belonging to Sarbupri, were making demands on plantations beyond the 130 put forward by Kesatuan Aksi. It demanded that the unions guarantee that no extra demands would be made at the local level. The unions refused, in part because they had limited ability to control sub-branches impatient about the lack of progress centrally and in part because many had proved successful in reaching local agreements and thereby increasing the pressure on Avros. On 6 April

[169] *Berita Organisasi Sarbupri*, Sept. 1957, p. 1.
[170] *Harian Rakjat*, 1 Jan. 1956.
[171] "Gezamelijke Statement, 'Kesatuan Aksi SB2 Perkebunan Sumatra Utara' and de Avros", 16 January 1956 – Bijlage bij circulaire no 6/1 dd 31 January 1956, in Archief Commissariaat te Medan, Inv. no. 164, NADH.
[172] Kesatuan Aksi Besar Serikat2 Buruh Perkebunan Sumatera Utara to chairman Avros, chairman P4D and chairman P4P, Medan, 9 Apr. 1956, enclosed in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, Inv. no. 134, NADH.

Kesatuan Aksi demanded that its request for a Lebaran payment in 1956 of one month's wages be agreed to separately from discussions on a new collective agreement. Avros refused and terminated all negotiations.[173] Unions responded to what they saw as the latest Avros insult by calling a strike for 13 and 14 April.

On 11 April the P4P established yet another committee of inquiry, this time to investigate the obstacles to a new collective agreement, and in the meantime prohibited any industrial action. The police were placed on alert and union leaders warned that if a general strike went ahead they would be arrested. Kesatuan Aksi stated that it was too late for it to withdraw its instructions to sub-branches, with the result that on a number of plantations sub-branches went ahead with the strike.[174] It took a further series of local strikes and the threat of a total strike at the end of September before the P4P finally determined on 24 September that all plantations must pay a bonus of two weeks' wages. The issue was just as difficult to resolve in 1957, causing further localised strikes before the P4P made an identical ruling to the previous year.[175]

The annual battle over Lebaran payments and bonuses reflected that they were outside the industry's collective agreement and were negotiable from year to year. On 20 June 1956 the P4P finally resolved the six-year dispute between Avros and the Sumatran plantation workers unions over a collective agreement to replace the 1950 agreement, but this did not address the two contentious issues. The 21-page binding decision was operative for one year from 1 July. The minimum daily wage for a married man with a child was increased to Rp.5.30 but the in-kind package reduced by the removal of salted fish and tea. Adjustments were made to most line items in the 1950 agreement, including allowances, company-provided housing, leave,

[173] See Avros Circular, 9 Apr. 1956, and Consul-General to High Commissioner, 11 Apr. 1956, in Archief Commissariaat te Medan, Inv. no. 164, NADH. *Warta Berita*, a Medan newspaper, charged that Avros was deliberately responsible for the deadlock and that "The Dutch will laugh heartily when a total strike breaks out, when Indonesia's economy will be paralysed, when Indonesia will no longer earn foreign exchange, coupled with chaos and turbulence." Quoted in Amembassy Jakarta, Despatch no. 646, 23 Apr. 1956, p. 4, in Department of State, Indonesia Labor Reports 1955–1956, NARA.

[174] Avros Circulars, 14/DM, 11 Apr. 1956, and 15/DM, 13 Apr. 1956, in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, Inv. no. 134, NADH.

[175] *Berita Organisasi Sarbupri*, 20 Sept. 1956, p. 1; Aug. 1957, p. 1.

working hours, overtime payments, the provision of education facilities and pensions. The binding decision also addressed the issue of plantations sacking union officials, which had led to many disputes. In future, before a union official could be sacked a company had to discuss the matter with the relevant union. If they could not agree, the local Labour Office would make a determination. Additionally, the binding decision formalised the provision of time during working hours for branch and sub-branch officials to carry out union work and the number allowed to attend union congresses on full pay. The imposition of a compromise agreement satisfied none of the parties, but the minister of labour refused to review it.[176]

The fundamental weakness in the P4P system was once more on display when the minister of labour, the PNI's Sabilal Rasjad, was pressured by the unions to change his mind. The unions argued that increasing the cash wage and removing the provision of salted fish and tea made workers worse off. They were also concerned that this was a precedent for plantations to replace other in-kind allowances with cash, thereby transferring the inflation risk to workers.[177] Under increasing pressure, including from the PNI's own union the KBKI, and the threat of a total strike on the Java plantations, the minister eventually gave way.[178] The P4P's binding decision was revised to reinstate an increased allowance of salted fish and tea with a consequent reduction in the minimum wage to Rp.4.45, or an increase of 20 cents on its previous level.[179]

The P4P decision was one more win for plantation workers unions' ongoing battles with employer associations. An ALS meeting in December 1956 acknowledged that wages had changed little since

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[176] Decision of the P4P, 20 June 1956, P4/N/56/4699: P4-7752, enclosed in Archief Ondernemersraad voor Indonesie te 's-Gravenhage, Inv. no. 134, NADH.
[177] *Berita Organisasi Sarbupri*, 20 July 1956, p. 1; 5 Aug. 1956, p. 1.
[178] At the PNI congress in July Erningpradja, chairman of the KBSI, attacked Sabilal Rasjad and urged the congress to censure him for refusing to reconsider the P4P decision. There was personal animosity between the two men, with Erningpradja reported as bitter from losing out to Rasjad on being minister of labour in the Ali government. Before the end of the congress Rasjad announced that he would ask the P4P to reconsider its decision. See Amembassy Jakarta, Despatch no. 184, 9 Oct. 1956, in Departement of State, Indonesia Labor Reports 1955–1965, NARA.
[179] See Consul-General to Acting High Commissioner, 14 Aug. and 15 Sept. 1956, in Archief Commissariaat te Medan, Inv. no. 164, NADH.

the 1950 collective agreement with Sarbupri and that many conditions were out of date compared to collective agreements in other industries. It was therefore not surprising, said the chairman, that there were an increasing number of conflicts with Sarbupri.[180] There was no indication, though, that the ALS was prepared to change its industrial relations policy. It continued to resist revising collective agreements unless forced to do so by industrial action or P4P intervention.

Sarbupri and PPN

Plantation associations accused Sarbupri of organising constant industrial action on foreign-owned plantations but taking a softer approach towards the state-owned PPN. To an extent this was true. All unions were opposed to continued foreign dominance of the Indonesian economy, with Sarbupri in particular arguing that the plantations should be nationalised. In justifying its different approach towards PPN from that towards foreign-owned companies, Suhaimi Rachman stated that Sarbupri's experience was that it could achieve results through discussions and negotiations with PPN and was therefore willing to make concessions to the national industry.[181] Nevertheless, there were disputes and strikes on PPN plantations over local issues and PPN workers were involved in the industry-wide strikes of 1950 and 1953. Industrial issues on PPN plantations were similar to those on the privately owned plantations, with Sarbupri accusing some PPN managers of promoting rival unions in an effort to weaken it. Despite its criticism of PPN, Sarbupri often used improved wages and conditions on its plantations as a benchmark for privately owned plantations, causing the ALS to argue that PPN wages and conditions were based on its not having to operate at a profit. It was an argument that infuriated Sarbupri, which responded that PPN was profitable but not at the excessive level of the foreign-owned plantations.[182]

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[180] Short report on ALS members' meeting, 14 Dec. 1956, in Archief Federabo, Inv. no. 219, NADH.

[181] See *Berita Organisasi Sarbupri*, 5 Sept. 1956, p. 1.

[182] See, for example, its statement in November 1957 that 36 PPN plantations made an annual profit of between Rp.60 million and Rp.90 million. *Harian Rakjat*, 27 Nov. 1957.

Sarbupri had an ambivalent relationship with PPN. It supported the company in principle but expected it to treat workers better than foreign companies did.[183] It claimed that PPN was prepared to listen and strike a deal on some issues but that on others its attitude was little different from that of foreign companies. It was particularly critical of PPN's membership of the ALS and of Dutch managers being retained on many of its plantations. The result, it argued, was that workers could not see the difference between PPN and foreign plantations. It demanded that PPN cease behaving like the latter.[184] In 1951, after the head of PPN in North Sumatra refused to discuss issues emerging from the implementation of the 1951 collective agreement, Sarbupri posed the question "Is PPN a national business or structured like a capitalist business?"[185]

The third Sarbupri plenary at the end of 1954 discussed repeated government calls for unions to support increased productivity in order to increase the country's prosperity. It was scathing of foreign-owned plantations but resolved to cooperate with PPN provided that it did not follow the policies of the ALS and Avros.[186] Two years later Sarbupri was still accusing PPN managers of being anti-union and anti-democratic, with Indonesian managers who had replaced Dutchmen on some plantations just as focused on increasing profitability instead of improving workers' wages. Sarbupri reiterated its willingness to work with PPN to increase productivity in order to reduce the power of foreign monopoly capitalism, "but this does not mean that Sarbupri will neglect or risk the interests of workers." It warned that if the industrial situation in PPN did not improve it would take strike action in order to protect workers' rights.[187]

In a signal that it was serious about supporting PPN workers, in November 1955 Sarbupri organised a special conference of delegates from its 22 PPN branches. Delegates spoke of industrial issues similar to those on foreign-owned plantations, including discrimination against workers who joined the union, reclassification of monthly paid workers as day-wage labourers, underpayment of wages and allowances, payment of contract labourers below minimum rates,

[183] See Irawan Pandu, "Nota PPN", *Berita Organisasi Sarbupri*, 20 Feb. 1956, p. 1.
[184] *Berita Organisasi Sarbupri*, 3 Jan. 1954, pp. 1–7.
[185] *Rakjat*, 1 June 1951.
[186] Hasan Raid, "Mengapa Sarbupri bersedia memperbesar produksi perkebunan?", *Warta Sarbupri*, Nov. 1954, p. 208.
[187] *Warta Sarbupri*, Dec. 1955, pp. 222–3.

a lack of polyclinics and doctors, discrimination between men and women, poor housing, and inadequate provision of working tools.[188]

Sarbupri undertook in future to adopt a more forceful approach to PPN. The conference agreed on a log of claims that included proper tools for workers, rubber plantation managers to discuss with Sarbupri the daily production required from each worker with increased wages for producing above this level, a transparent wage structure, and an increase in family allowances. It also expressed solidarity with two PPN sub-branch leaders dismissed by PPN on what Sarbupri considered trumped-up charges. Sarbupri had appealed the dismissals to the West Java P4D, which had recommended their reinstatement. PPN refused to accept the recommendation, causing Sarbupri to once more argue that its managers were acting like those in foreign-owned companies.[189]

The PPN response to Sarbupri's log of claims confirmed its concern about the direction of the state-owned enterprise. PPN was only prepared to talk about increasing efficiency and productivity and wanted to reclassify rubber tappers from permanent employees to contract workers. Not surprisingly, Sarbupri rejected this, giving PPN until the end of March to respond fully to its claims and instructing PPN sub-branches to prepare for industrial action. The initials PPN, it stated, stood for Pusat Perkebunan Nederland (Netherlands Plantation Centre).[190] In the end union action was averted by PPN compromising with the union.[191]

Sarbupri in 1957

In his report to the fourth Sarbupri congress in September 1956, Secretary-General Suhaimi Rachman reminded delegates of the union's victories since 1953. While not total, they were considerable and had been achieved through the struggle of workers themselves:

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[188] Ibid., pp. 224–7.

[189] See *Berita Organisasi Sarbupri*, 20 Nov. 1955, p. 1; 5 Dec. 1955, p. 1; 5 Jan. 1956, p. 1.

[190] "Nota PPN", *Berita Organisasi Sarbupri*, 20 Feb. 1956, p. 1. See also *Berita Organisasi Sarbupri*, 5 Feb. 1956, p. 1. In September 1956 the fourth Sarbupri congress passed a resolution: "Congress urges the government to order PPN to cease following the path of Avros-ALS–ZWSS and others and instead to follow a path which is profitable for both plantation workers and the state by cooperating with Sarbupri." See *Warta Sarbupri*, Oct. 1956, p. 198.

[191] *Berita Organisasi Sarbupri*, 5 Jan. 1956, p. 1; 20 Feb. 1956, p. 2; 20 Mar. 1956, p. 1.

"Experience clearly shows that the results from these victories were achieved by means of heavy and light actions and were very often accompanied by sacrifices from our activists and cadres."[192]

Suhaimi was right to claim that the gains had been achieved only because workers had been prepared to take industrial action. Individual plantations and industry associations increased wages and improved conditions only when forced to do so. The industry argued that increases in the cost of labour resulting from assertive workers, aggressive unions and a compliant P4P threatened its survival, given low commodity prices and competition from other countries. At the same time companies refused to reveal their costs of production, let alone open their books, to unions or the P4P and continued to pay strong annual dividends.

Despite assertive workers and determined unions, the increases in wages and in-kind allowances that companies had been forced to concede were outpaced by inflation. In 1951 the minimum wage for a day-wage labourer with a wife and two children on the ALS/ZWSS/Bebto plantations in Java and South Sumatra was Rp.4.80, of which Rp.3 was in cash. By 1957 the minimum wage had increased to Rp.6.95, of which Rp.4.25 was in cash. The 44 per cent increase in total wages was much lower than the 81 per cent increase in the average market price of 12 essential goods in rural Java in these years. The food component of the in-kind package would have reduced the gap a little but by no means eliminated it.[193] The long-term gains, though, were improvements to the social wage and working conditions. These included the regulation of working hours and the payment of overtime, equal pay for women, increased allowances for wives and children, Lebaran and annual bonuses, improved pensions and health benefits, the refurbishment of housing, and increased provision of schools.

In a speech celebrating Sarbupri's tenth anniversary in February 1957, Suhaimi Rachman told workers that they should be proud of what they had achieved in a decade of struggle. They should be proud of the way they had organised young people to oppose the Dutch during the revolution. They should be proud of their involvement in the strike at the Delanggu sugar factory in 1948. They should be proud of their successful strike in 1950. Nevertheless, Suhaimi said, despite ten years of growth and successful campaigns Sarbupri

[192] Suhaimi Rachman, "Bahan2 Kongres ke IV", p. 1.
[193] These figures are from *Statistical Pocketbook of Indonesia*, 1958, pp. 230–1, 242.

still had to convince all workers, and particularly high-level workers, of its usefulness. Not only had many workers not yet joined, but many others were not sufficiently committed to the union. Worker consciousness was weak, which Suhaimi attributed to cadres not properly explaining the nature of workers' problems, the history of the labour movement, or the union's development and its action programme. Sub-branches were not operating as well as they should because of ineffective leadership, especially where money was concerned. Suhaimi committed to tackling these weaknesses and stated that Sarbupri supported the second Ali cabinet in order to protect democracy and the freedom of unions in an atmosphere of attacks from right-wing groups.[194]

Less than a month later, martial law was declared. The army now had the power to blunt the key industrial weapon used by unions in their battles with plantations. Sarbupri leaders at national and local levels responded by ensuring that they maintained close contact with army commanders. On 29 March, for example, national leaders met with the central army command in Jakarta in order to gauge their reaction to a proposed strike in April. They were told that whether or not martial law powers were used in an industrial dispute would depend on local circumstances. Sarbupri leaders responded by instructing sub-branches to consult with local army commanders before taking industrial action. They also called off the national strike and referred the dispute to the P4P.[195] This set the pattern for the rest of the year. Short local strikes continued to break out over local issues, but they were far fewer than in earlier years.

The army's takeover of the management of Dutch-owned plantations from December 1957 radically altered the industrial and political framework in which Sarbupri operated. It was no longer fighting foreign-owned companies but confronting the state and its military arm. As parliamentary democracy gave way to guided democracy, army officers, accustomed to being obeyed and long suspicious of movements from below, tightened their control of the plantations. Sub-branches and branches that were the core of Sarbupri activities were now closely monitored and constrained. As the space for industrial activity narrowed, Sarbupri's central leaders were increasingly caught up in the wider political struggles of Sobsi and the PKI.

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[194] Suhaimi Rachman, "Menjambut ulang tahun ke X Sarbupri", *Berita Organisasi Sarbupri*, 20 Feb. 1957, pp. 1–2.
[195] *Algemeen Indische Dagblad*, 1 Apr. 1957.

7

Dockworkers and Sailors

The first wave of industrial unrest in the harbours was brought to an end by the imposition of the state of war and siege ordinance in February 1951; however, the fundamental issues of low wages, precarious employment and race-based discrimination remained unresolved. Over the next six years there was an unrelenting battle between maritime unions and the foreign-owned companies that dominated the stevedoring, tugboat, drydock and shipping industry. Employers were reluctant to negotiate with unions, none more so than the largest of the companies, KPM, which retained its near monopoly of inter-island shipping. Instead of recognising that workers would no longer accept a continuation of colonial-era wages and conditions, employers urged the government to reign in what the managing director of the Tanjung Priok Drydock Company in November 1954 called "the terror of the unions".[1] In the face of employer intransigence, both Sobsi and non-Sobsi unions saw no alternative to backing their demands with industrial action. To the chagrin of employers, this was an effective strategy that resulted in P4P interventions and binding decisions that improved wages and conditions and gradually ended race-based discriminatory practices.

Serikat Buruh Pelabuhan dan Pelayaran Indonesia

In October 1950 the two largest unions for workers in the stevedoring, maritime services and shipping industries, the SBKP and

[1] Managing Director to D. Croll, 17 Nov. 1954, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 21, NADH.

SBLP, merged to create one large union, the SBPP. The merger was not surprising given that both unions were affiliated to Sobsi, had complementary membership bases—the SBKP in Tanjung Priok and Belawan and the SBLP in Surabaya—and had cooperated throughout the year in industrial campaigns. The amalgamation was in keeping with Sobsi's policy of creating one union in each industry, but the timing was probably influenced by the decision of shipping and stevedoring companies to combat unions by centralising the management of industrial relations in the Shipping Employers Association. A single union dominating the three key harbours of Jakarta, Surabaya and Belawan would increase union bargaining power against employers acting in concert.

The SBPP was the dominant union in the harbours, with the exception of the Semarang harbour, where at least until 1953 the Sobri-affiliated Gabungan Buruh Pelabuhan was dominant. It had a much lower profile among seamen, where the SPSI was the dominant union, or among shore-based KPM workers, many of whom were members of the SBKPM and Serikat Buruh Teknik dan Pelabuhan (Union of Technical and Harbour Workers, SBTP).[2] In 1952 the SBPP claimed a membership of 43,000 and in 1956 61,153 in 55 branches. It is impossible to know the number of dockworkers employed in dozens of major and minor ports given the high level of casual labour, but it was at least 100,000 in 1953.[3]

The SBPP recruited foremen and skilled workers—indeed, it needed them to manage branches—but focused on low-paid, day-wage, casual and contract labourers who were the vast majority of harbour workforces. It created a narrative that linked its struggle against foreign companies to the militancy of dockworkers and seamen in the 1920s, the mutiny of *De Zeven Provincien* in February 1933, and maritime workers' role in the fight against the reinvading Dutch. It named its magazine, *Kapal Tudjuh*, in memory of the *De Zeven Provincien* mutiny, which was depicted as a heroic action that shook the foundations of the colonial regime. The front cover of the 5 February 1952 issue, coinciding with the anniversary of the mutiny, had a sketch of *De Zeven Provincien* together with a defiant

[2] For a discussion of the Gabungan Buruh Pelabuhan, see Supriyono, "Buruh Pelabuhan Semarang", esp. pp. 244–78.
[3] *Harian Rakjat*, 31 Mar. 1953.

worker carrying a red flag in one hand and a hammer in the other.[4] Each year the SBPP celebrated the mutiny with mass rallies, marches and rousing speeches in the major port cities.[5] Congress receptions in 1953 and 1956 lauded the mutiny as a symbol of workers' resistance to imperialism, with delegates urged to honour the sacrifices made in 1933.

Central leaders of the SBPP were full-time officials. The three general secretaries were all members of the PKI and had been active in Sobsi since its formation in 1946. The first general secretary, Kamaruzaman, was one of the founders of the SBKP and its chairman since October 1949. The second general secretary, Achmad Sumadi, had been chairman of the SBLP.[6] The third general secretary, Tuk Subianto, had been a blacksmith on a KPM ship stranded in Australia when Japan invaded Indonesia in March 1942. He was a founding member of the Indonesian seamen's union in Australia, Sapilindo, before returning to Indonesia after the proclamation of independence, probably in 1947. In February 1953 he became the first general secretary, and in March he became a member of the administrative committee of the International Transport Workers Federation.[7]

The SBPP central executive in Jakarta created the union's strategic framework and orchestrated its major industrial campaigns, but the union was highly decentralised with both branches and sections asserting their autonomy. Branches were organised into company-based sections in the major harbours or in ship-based sections. In 1953 the SBPP's largest branch at Tanjung Priok had 50 sections, 37 of which were in individual companies, ranging from the large KPM and the Tanjung Priok Drydock Company to the small national stevedoring company Indonesia Veem. The other 13 sections were on

[4] *Kapal Tudjuh*, 5 Feb. 1952. I have discussed the *De Zeven Provincien* munity in *Workers*, *Unions and Politics*, pp. 207–11.

[5] See *Kapal Tudjuh*, 5 Feb. 1952.

[6] "Perkembangan gerakan buruh kapal, laut dan Pelabuhan", Rahasia Nota, Jawatan Resersi Pusat, 5 Nov. 1951, in Sek Neg Kab PM, Jld 2, Inv. no. 1741, ANRI.

[7] For a discussion of Tuk Subianto and his international connections, see Heather Goodall, "Uneasy Comrades: Tuk Subianto, Eliot V. Elliot and the Cold War", *Indonesia and the Malay World* (July 2012): 209–30. See also the brief biography in *Harian Rakjat*, 21 Sept. 1955.

ships.[8] Branch officials were full-time workers in the stevedoring and shipping industry who received only small honoraria from the union. Most were among the better-paid workers, such as clerks or foremen.

The SBPP central executive struggled to manage branches, and branch officials did not always have a firm grip on the activities of sections. After its 1953 national congress the union adopted Sobsi's policy of creating district executives in an effort to coordinate branches and sections, but by 1956 it acknowledged that it had not been successful. Jakarta head office was still finding it impossible to supervise local leaders closely and regarded autonomous action by branches and sections as a major problem. Like all Sobsi unions, the SBPP believed that industrial action should be well planned and hierarchically controlled rather than spontaneous eruptions from below.[9]

Geography was a major problem for the SBPP, as it was for all Indonesia-wide unions. Surabaya and Belawan were a long way from Jakarta, and local leaders were often reluctant to accept Jakarta's control. Travel was expensive, and the central executive could not afford to employ organisers on the ground. Shipping and stevedoring companies refused to deduct union dues from wages, forcing branches to try to collect them directly from workers or from foremen who recruited and paid casual work gangs. Local leaders were also conscious of the poverty of workers. The result was that the union struggled financially.

Financial data for the three years 1953 to 1955 provided to the SBPP's 1956 congress showed the extent of the union's financial difficulties. The minimum daily wage for a Tanjung Priok dockworker in 1953 was Rp.5.25, and while it was supplemented by frequent overtime, there was no guarantee of work. Unlike regular dockworkers in many Western countries, there was no attendance money when work was unavailable. With a nominal membership of 43,000 and fees set at 1 per cent of monthly wages, this should have resulted in a monthly income of about Rp.43,000. Branches should have forwarded half of this amount to the central executive. The reality was very different. In 1953 the central executive received only Rp.18,848 in membership fees for the whole year. Some allowance

[8] "Pengumuman, No 1330/1/Ex/1953", Pemimpin Tjabang Jakarta SBPP, 19 Sept. 1953, in Archief Hoge Commissariaat Indonesie, Inv. no. 320, NADH.
[9] *Kapal Tudjuh* 1 (1956): 17–9.

has to be made for branches holding back money, but it is clear that only a small minority of nominal members paid their dues regularly. In the three years 1953 to 1955 over half of SBPP income came from "consolidation money"—money received from workers after a successful campaign, such as a backdated wage rise. The lack of money constantly constrained the activities of the central executive. It was forced to restrict the print run of *Kapal Tudjuh* to 4,000 and charge Rp.1 for each issue because it could not afford the cost of printing and postage.[10]

National leaders of the SBPP focused on negotiating collective agreements with the Shipping Employers Association, independent foreign-owned companies, national companies and the state-owned shipping line. It was a difficult process, in large part because the dominant foreign companies did all that they could to slow things down. They were content for negotiations to stall and result in disputes because this forced Labour Offices and dispute resolution committees to intervene and in the meantime ban strikes. They also believed that it was in their interest to slow down negotiations because once collective agreements were signed, or binding decisions handed down by the P4P, unions were likely to hit them with new demands.

The government had little sympathy for the foreign-owned stevedoring companies that were one of the prime targets of union campaigns. Their near monopolisation of the industry was resented, leading to a compulsory transfer of their assets to national companies from 1954. The government had even less sympathy for KPM because of its dominance of inter-island shipping routes and its refusal in 1951 to sell half of the company to the state. KPM was widely regarded by Indonesians as an arrogant company that continued to treat Indonesia as if it was still a colony. Few disagreed that dock-workers and sailors were exploited and that the maritime industry was rife with discriminatory colonial-era regulations.

While critical of the colonial attitudes of foreign companies, successive governments were worried by what they saw as the militancy of maritime unions, particularly the Sobsi-affiliated SBPP. They

[10] See Ibid.: 20; and General Secretary SBPP to Executive Shipping Employers Association, Jakarta, 5 July 1951, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 20, NADH.

feared that trench warfare between determined unions and recalcitrant employers would lead to a costly disruption of trade. The SBPP made no secret of its strong support for Sobsi and what it called its "revolutionary" agenda. It regularly recruited dockworkers to take part in Sobsi rallies, especially the annual May Day rallies in Jakarta, Surabaya and other port cities. It was a member of the International Transport Workers Federation, with its magazine carrying extensive reports on the WFTU and the success of workers in socialist societies. It attacked Western imperialism and US aggression in Korea. It campaigned for the government to act against Dutch capital in Indonesia in order to end what in 1952 it called "the reign of terror" in the country.[11]

Despite its rhetoric, the SBPP was first and foremost an industrial organisation focused on improving the wages and conditions of low-paid workers in the harbours and on the ships. The fundamental cause of industrial unrest in the harbours was not Communist agitation but employers' refusal to improve wages and conditions or end colonial-era regulations until forced to do so. All maritime unions, not just the SBPP, used sit-down stoppages, go-slows, overtime bans and strikes because they were effective weapons in forcing employers to negotiate seriously or in persuading the government to intervene.

Negotiating a Collective Agreement

In the first half of 1951 the SBPP central executive held meetings with branch and section officials to prepare for its first nationwide industrial campaign to get an industry-wide collective agreement. On 5 July 1951 it served an extensive log of claims on the Shipping Employers Association in Jakarta. This triggered a lengthy industrial dispute that dragged on until August 1952.

The SBPP demands were ambit claims designed to set a high bar in negotiations with employers, including significant wage rises focused on narrowing the gap between the lowest- and the highest-paid. The union wanted the wages of day-wage labourers more than doubled, from Rp.4.25 to Rp.9.25, with a 60 per cent rise for monthly paid workers earning less than Rp.100 and a 30 per cent increase for those earning more than this. It also demanded substantially

[11] *Antara*, 11 Dec. 1952.

increased family allowances; an annual bonus of two months' gross wages, including for casual and day-wage workers; and identical legal rights for all workers irrespective of race, religion, ethnicity or gender or whether they were permanent workers or labourers employed by contractors.

Other demands were intended to strengthen the SBPP's position in the workplace. The union demanded that employers recognise it as the sole representative of workers, provide every branch with an office and a meeting room, and permit workers to attend a union meeting of up to two hours each month during working hours. Employers were not to prohibit the union from sending circulars around workplaces or from placing them on noticeboards. Two elected officials from each union branch and one official either on the central executive of the union, a Sobsi branch executive or Sobsi central bureau were to be permitted to attend meetings, congresses and courses during working hours. The SBPP also wanted companies to contribute Rp.5,000 annually towards the cost of holding the SBPP congress.[12]

The SBPP gave the Shipping Employers Association two days to respond. Not surprisingly, the employers association told the union that it needed more time. The SBPP then asked for a response by 5 August because shortly after that date it intended to hold a conference with branch delegates to discuss progress. On 28 July the association wrote to the union stating that it saw no reason for formal recognition and needed further time to consider claims for wage increases.[13] Two days later it was more forthright in a letter to the prime minister, describing the SBPP demands as "radical", not in keeping with international norms, threatening the basis of a free and democratic society, and implying that the union wanted to control the industry. It rejected the union's demands but assured the government that it was "disposed to discuss reasonable demands in wages and labour conditions with every representative labour union. These

[12] Pengurus Besar SBPP to Pengurus Scheepvaartvereeniging, 5 July 1951, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3035, ANRI. See also *Merdeka*, 19 July 1951.

[13] Vereeniging van Werkgevers in de Scheepvaart en Aanverwante Bedrijven to SBPP, 28 July 1951, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3035, ANRI.

negotiations, however, if their result will be acceptable for both parties, have to be held in an atmosphere that is free from compulsion and partiality."[14]

The Shipping Employers Association argued that workers had already been treated justly because wages had been increased in April by 20 per cent. It then reverted to the argument widely used in the colonial era to justify low wages, stating that if workers' wages were further increased it would reduce the incentive for them to work overtime, without which the harbours could not operate.[15]

With employers determined to postpone serious negotiations as long as possible, the SBPP increased the pressure. On 15 August it issued a manifesto accusing employers of trying to provoke workers into an illegal strike. It particularly objected to the secretary of the Shipping Employers Association stating that the SBPP's demands "are part of a powerful and larger plan that originates from Moscow. After 'upsetting' the oil industry, then the transport industry, they are now trying the shipping industry."[16] The SBPP believed that employers' refusal to recognise it as the representative of workers and their rejection of its claims for wage justice showed the continuing colonial mentality of employers: "The attitude and actions of the Shipping Employers Association, a representative of foreign capital, are as if we are still in the former era of DUTCH COLONIALISM. Employers' attitudes and actions are clearly provocative and stirring up trouble. They are a HUGE DANGER for peace and People's Democracy."[17]

The SBPP realised that its demand for sole recognition was regarded by other unions as an attempt to monopolise the workplace. It countered by arguing that its sole aim was to prevent the creation of company unions. It was on stronger ground in rejecting employers'

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[14] Association of Employers in Shipping and Associated Services to Government of the Republic of Indonesia, 30 July 1951. An English translation of the letter made by the Australian embassy is contained in AA11602, Australian Archives Canberra. An excerpt was published in *Kapal Tudjuh*, 5 Feb. 1952, p. 3.
[15] *Java Bode*, 23 July 1953.
[16] Quoted in *Antara*, 2 Aug. 1951.
[17] "Pernjataan Pengurus Besar SBPP mengenai tuntunan umum buruh pelabuhan-pelajaran dalam perdjoangannja untuk mendapat mengakuan hak Organisasi Buruh dan kenaikan upah", 15 Aug. 1951, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3035, ANRI.

accusation that it wanted to interfere with the prerogatives of managements, arguing that it was simply asking employers to negotiate wages and conditions. But it would no longer accept race discrimination, nor would it any longer accept wages that were well below the basic needs of workers and their families. It quoted from annual reports of three member companies of the Shipping Employers Association to show that the industry was highly profitable. This profit, it said, was at the expense of Indonesian workers. It urged the government to take action against foreign capitalism that worked against the national interest. The manifesto ended with a call to arms: "Exterminate all ideas, attitudes and actions of foreign capital and defend prosperity, peace and genuine freedom."[18]

One day later, on the night of 16 August, the police began the arrest of thousands of people accused of involvement in a plot to overthrow the government. Many SBPP central and branch officials were caught in the police net. The government's sudden move against left-wing activists, including leaders of Sobsi unions, doubtless caused the SBPP central executive to pause and rethink its tactics but did not alter its strategy of using industrial action to force employers to negotiate an industry-wide collective agreement.

The Shipping Employers Association continued to hold out against making any concessions, convinced that the August arrests strengthened its position and that the ban on strikes protected companies against industrial action. At the end of October, after the failure of mediation by the Jakarta Labour Office, the Ministry of Labour referred the dispute to the P4P. Once again, the P4P failed to reach a speedy decision. A frustrated SBPP wrote to employers at the beginning of February 1952 warning that given the continued impact of inflation and the protests of aggrieved workers it was prepared to wait no longer: "We make it clear to companies in the Shipping Employers Association that the SBPP central executive will take action in three weeks, from 5 February, in order to speed up the settlement of its significant demands made on 5 July 1951."[19]

By giving three weeks' notice of industrial action—symbolically to start on 5 February, the anniversary of the *De Zeven Provincien*

[18] Ibid.

[19] Hooge Bestuur SBPP to Vereeniging van Werkgevers in de Scheepvaart en Aanverwante Bedrijven, 4 Feb. 1952, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 20, NADH.

mutiny—the SBPP believed that it was keeping within the law while putting pressure on employers to negotiate a settlement. The central executive's threat was followed by the Surabaya branch announcing that it would not wait for the national industrial campaign but would organise its own protest action against companies in the Surabaya harbour by imposing overtime bans, sit-down protests and strikes. It accused employers of being arrogant and conceited, humiliating unions, and shirking their responsibilities towards workers.[20]

The threat of extensive stoppages in the harbours persuaded the minister of labour, Tedjasukmana, to intervene. On 1 March the P4P instructed the two parties to commence negotiations with a view to reaching an agreement by 31 March.[21] It laid down a number of principles that favoured the SBPP: The Shipping Employers Association must formally recognise the SBPP, agree in principle to a retrospective wage rise, cover the costs of negotiations and refrain from reprisals during the negotiating period. For its part, the SBPP was required to ensure that the demands of individual branches were identical to those of the central executive.[22]

Little progress was made. On 1 April the SBPP announced that because there had been no agreement, it intended to commence a series of sit-down strikes, slow-down actions and overtime bans in the major harbours. It exempted national stevedoring companies and the national shipping line from the stoppages, partly for ideological reasons but also because it knew that gains forced from the larger foreign-owned companies would quickly flow to the smaller national companies. The SBPP described its industrial action as directed against the oppression of the Indonesian working class by foreign capital: "The action is directed against the efforts of foreign capital to exploit the riches of Indonesia and aims to improve the lot of SBPP members in particular and the working class in general."[23]

Industrial action in the two key Java harbours of Jakarta and Surabaya had the desired intent of forcing the P4P to act. At the end of April 1952, the P4P issued a binding decision that increased minimum daily wages in the Jakarta, Semarang and Surabaya harbours to Rp.5.50 for permanent workers and Rp.5.25 for casual and

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[20] *Trompet Masjarakat*, 3 Mar. 1952.
[21] See Decision of the P4P, 1 Mar. 1952, P4-5518, in *Tindjauan Masa'alah Perburuhan*, July–Aug.–Sept. 1952, pp. 70–2.
[22] *Algemeen Indisch Dagblad*, 6 Mar. 1952; *Trompet Masjarakat*, 5 Mar. 1952.
[23] *Nieuwsgier*, 18 Apr. 1952.

contract workers. Workers paid above the minimum were awarded a 20 per cent increase, in keeping with the increase the government had provided its workers from 1 May. The new wage rates were backdated to 1 January.

The P4P decision was considerably less than the SBPP's claim, but the union reluctantly accepted it because other parts of the decision provided significant gains. While its claim for exclusive representation of workers was rejected, the P4P moved to protect the SBPP from companies trying to undermine it by making better deals with other unions. Any higher rates of pay or better conditions in an agreement with another union had to be added to the SBPP collective agreement. The P4P also instructed companies to provide a room for union branches and to allow branch executive members up to two days each month for union work and six days a year to attend the annual congress on full pay.[24]

Local Agreements

While the SBPP central executive was fighting the Shipping Employers Association, branches and sections were taking individual workers' grievances to managements, insisting on the implementation of national agreements or P4P decisions and demanding workplace agreements with benefits over and above them. Branch and section officials worked alongside day-wage and contract labourers, were sensitive to their day-to-day grievances, and knew that in order to retain their support they had to be seen to be constantly delivering results. The central role of branches and sections in industrial bargaining was reflected in the high number of local disputes. In the three years between the first SBPP congress in 1953 and its second in 1956 the union was involved in 395 stoppages. All but 62 were local actions initiated by branches or sections.[25] They ranged from sit-down stoppages of one or two hours to overtime bans and strikes. Most were quickly resolved through the mediation of the Labour Office or a regional dispute settlement committee, but some ended only after binding decisions by the P4P in Jakarta.

[24] See *Trompet Masjarakat*, 30 Apr. 1952.
[25] These figures were reported by the central executive to its second national congress in 1956. See *Kapal Tudjuh* 4, 1 (1956): 9.

The growth of the SBPP was largely due to branches paying close attention to the immediate grievances of workers. In December 1952, for example, the Tanjung Priok branch was in dispute with the local branch of the Shipping Employers Association. Its demands included a proper canteen in each workplace—with adequate plates, spoons and glasses—and a quality meal to the value of Rp.7.50, as well as an increase in the daily meal allowance for monthly paid workers who were not provided with a free midday meal. It also demanded a transport allowance for workers, improved sick pay, company payment of the cost of doctors and medicines for workers and their families, a special payment to families on the death of a worker, the full implementation of government regulations on official holidays, formal recognition that overtime was voluntary, and consultation with the union before workers were requested to work overtime.[26]

After lengthy negotiations failed, including mediation by the Labour Office and the P4D, at the beginning of February 1953 the dispute was referred to the P4P. The P4P rejected the claim for travel allowances and instructed the two parties to continue negotiations on the issue of overtime, but on other issues it provided the Tanjung Priok branch with important wins. Meal allowances for monthly paid workers were increased, though not to the level demanded by the union, with the P4P agreeing that "in many industries meal allowances are insufficient or lacking in variety, along with a shortage of utensils and inadequate provision of drinking facilities".[27] A committee was established, including a representative of the union, to investigate and recommend improvements. Companies were instructed to cover the costs of doctors and medicines for a worker, his wife and up to two children. Workers unable to work because of sickness were to receive full pay for the first month, 75 per cent for the second month, 50 per cent for the third month and 25 per cent for the fourth month. After four months a sick worker had to be examined by a doctor and either paid a pension if unable to continue working or made redundant if the sickness was not genuine. If a determination was made that he could return to work eventually, then he

[26] *Harian Rakjat*, 19 Dec. 1952; 14 Jan. 1953.

[27] See P4P Decision P4/M/53/803, 5 Mar. 1953; and P4P Decision P4/M/53/741, 3 Feb. 1953, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3074, ANRI.

would continue to receive 25 per cent of wages until his return. The standardised and improved sick pay regulations were a breakthrough for dockworkers who had physically demanding work, though they did not extend to casual day-wage workers who worked less than 20 days a month with one employer.[28] Further negotiations on overtime payments stalled, leading the P4P to issue another binding decision in May which accepted union demands for overtime to be paid at time and a half or double time, depending on the time of day, and between double and triple time on official holidays.[29]

The archives of the Tanjung Priok Drydock Company illustrate why union branches and sections were so often forced to resort to industrial action. The company was not a member of the Shipping Employers Association and had delayed responding to a log of claims from its workers union, the SBPP drydock section, on the grounds that it was being considered by the P4P. It now argued that it was not bound by P4P decisions, though it realised that it could no longer simply ignore the union. It offered a 20 per cent wage increase for workers earning between Rp.5 and Rp.10 a day and 10 per cent for those earning over Rp.10 but rejected making them retrospective to July 1951, the date of the union's log of claims.

The drydock section of the SBPP was in no mood to accept the company's offer. It had recently been in dispute over the company reneging on a promise to pay a bonus in 1951 because in July it had paid a Lebaran allowance of 15 days' extra wages to all workers. The SBPP section argued that the two payments were quite separate. The P4D agreed and ordered the company to reinstate the bonus.[30] The drydock section now rejected the company's wage offer as "unfair and unreasonable". The P4P, it said, had made no distinction between lower- and higher-paid workers, nor had the government when it increased the wages of all its workers by 20 per cent on 1 May.[31] It reiterated its list of demands, including not only a wage rise but also a reduction in working hours to bring the company into line with the labour laws, overtime regulations, three months' long

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[28] Ibid.

[29] *Trompet Masjarakat*, 22 May 1953.

[30] See P4P Decision P4/A/52/88, 16 Feb. 1952, in *Tindjauan Masa'alah Perburuhan*, May–June 1952, pp. 62–3.

[31] SBPP, Seksi Droog Dock Maatschappij to Managing Director Droog Dock Maatschappij, 28 May 1952, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 20, NADH.

service leave for people who had worked more than six years with the company, and a guaranteed annual bonus of two months' wages.[32]

Through May and June, the SBPP drydock section organised work stoppages and overtime bans that were costly for the company. By August the two sides had reached agreement on most issues, except for the key ones of wages, annual bonuses and long service leave. Eventually, in August, the P4P made a binding decision that was a compromise. In establishing a minimum wage of Rp.5.25 and increasing the wages of day-wage workers earning between Rp.5 and Rp.10 by 20 per cent and those earning over Rp.10 by 10 per cent, backdated to 1 July 1952, it was moving closer towards standardised wages in the harbours. Other parts of the union's demands contested by the company were refused.[33] The SBPP drydock section finally signed a collective agreement with the drydock company, but it was no surprise to either side that disputes broke out again only a few months later.

This dispute between the SBPP drydock section and the Tanjung Priok Drydock Company was just one of hundreds of local conflicts in the maritime industry in the early 1950s. In a detailed report in mid-1956 the Jakarta branch of the SBPP, which covered the Tanjung Priok harbour, outlined its achievements in the first half of the year. These included the drydock company agreeing to pay funeral costs of Rp.75 on the death of a worker's child and Rp.100 on the death of a worker, changing the status of 17 guards from day wages to monthly wages, and for the first time providing work clothes to day-wage and casual labourers. The Java Hout trading company had agreed to provide work clothes to all of its workers and to increase rice allowances in line with price increases. The Unie Kampung had agreed to increase annual bonuses and provide them

[32] SBPP, Seksi Droog Dock Maatschappij to Managing Director Droog Dock Maatschappij, 31 July 1952, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 20, NADH. The national stevedoring company, Indonesia Veem, adopted the same policy as the Tanjung Priok Drydock Company, because it also was not a member of the Shipping Employers Association. Its position was rejected by the SBPP, and after a brief dispute the company agreed to pay rates in keeping with the P4P decision. "Laporan mingguan mengenai pemogokan, tuntutan2, perselisihan2 dan pernjataan2 dari Serikat2 Buruh di Indonesia dari tanggal 25 s/d 30 Augustus 1952", Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3061, ANRI.

[33] See Managing Director to D. Croll, 12 Aug. 1952, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 20, NADH.

to all of its workers, including the two-thirds employed on a casual basis. The Ruys trading company had agreed to pay 70 workers service pay totalling Rp.6,000 on their transfer to a national company, and the Lido company had agreed to increase meal allowances.[34]

SBPP branches constantly fought shipping and stevedoring companies over arbitrary actions such as sacking SBPP activists or dismissing permanent workers and replacing them with cheaper day-wage or contract workers. In 1956 the union accused foreign companies of sacking 1,342 permanent workers over the previous three years while at the same time increasing employment of casual day-wage and contract labourers. It provided examples of arbitrary action by employers successfully resisted by industrial action. In Belawan a branch official was sacked, accused of attending the union's 1953 congress without permission. After a short strike he was reinstated. Five seamen on a KPM ship were dismissed because they distributed copies of the union magazine on the ship. They were reinstated after seamen on the ship threatened to strike. When a shipbuilding company on the north coast of Java dismissed 275 men because they organised an SBPP branch the union launched a seven-month strike which ended with the company being taken over by the Indonesian government and the workers being reinstated. Union branches also supported officials they believed were wrongly accused of offences by companies. For example, a member of the SBPP daily executive and leader of its Surabaya branch was accused by a stevedoring company in Padang, West Sumatra, of corruption when he worked for it. He was arrested, returned to Padang, and was convicted and sentenced to three months' jail. The SBPP Padang branch funded a lawyer to argue his appeal to the Medan high court. As a result, the conviction was overturned and the man returned to work for the SBPP in Surabaya.[35]

KPM and Unions

KPM was a visible symbol of the colonial past and the continuing dominance of the postcolonial economy by Dutch companies. After it refused to sell half of the inter-island company to the Indonesian government in 1951 it realised that its days in Indonesia were

[34] *Kapal Tudjuh* 1 (1956): 15.
[35] These examples were included in a wide-ranging article, "Melawan Pemetjatan2", *Kapal Tudjuh* 4, 1 (1956): 8–9.

numbered. It limited investment in new ships and shore-based facilities and was determined to make as much money as it could before its licence to operate in Indonesian waters was terminated. After Indonesia unilaterally renounced the RTC agreement in February 1956, KPM realised that it might be nationalised at any time and issued sealed instructions to its ships' captains to be opened on receipt of a code from Amsterdam.[36]

KPM profitability was based on low wages for Indonesian sailors and onshore workers. Despite constant complaints about union militancy that forced KPM to provide unrealistic wages and conditions, the company remained highly profitable and its profits were an important contributor to the Netherlands post-war recovery.[37] It had a combative relationship with all unions, not just the SBPP, driven by residual colonial arrogance and a determination to maintain colonial-era profits. Its Jakarta managing director, acting on instructions from the Netherlands, made few concessions to unions, preferring that demands were referred to the P4P rather than resolved through negotiations. In part it was a delaying tactic—the longer it took to get a resolution the more money the company saved—but it was also indicative of the mentality of directors and managers and their reluctance to accept that times had changed, even when they recognised the justice of union claims. Maritime unions fought constant battles with all companies over wages and conditions, but disputes with KPM were particularly bitter. The SBPP described KPM as a company out of control, determined to defend its monopoly, increase the prices of Indonesian goods, constrain the national shipping industry and stir up trouble in the economy, with the final aim of destroying the Republic of Indonesia.[38]

The continuation of race-based wage structures in the maritime industry was a major cause of conflict. Regulations varied from company to company, but basic wages, allowances, and conditions such as recreation leave, sick leave and pensions for Europeans were very different from those for Indonesian sailors or onshore workers. Many companies slowly accepted the need for change after industrial pressure from unions, but KPM doggedly held out. In February 1951

[36] For a discussion of KPM policies in the 1950s, see J.N.R.M. á Campo, "Business Not as Usual: Dutch Shipping in Independent Indonesia, 1945–1957", *International Journal of Maritime History* 10, 2 (Dec. 1998): 1–39.
[37] Ibid.
[38] *Kapal Tudjuh* 1 (1956): 23.

KPM dismissed unions' demands for an end to race discrimination by simply asserting that Europeans had different needs from Indonesians. To the sailors union, the SPSI, this was proof of its determination to maintain colonial structures where Europeans were *tuan besar* (the master).[39] When in November 1951 the three major KPM unions sought a fixed and transparent classification system for workers, KPM replied that it was not prepared to change long-standing practices and that "the structure of employment is a matter for company management".[40]

The SPSI, an independent union, was the dominant union for Indonesian sailors on KPM ships, claiming a membership of 12,000 in 1955. Most were ordinary sailors, but some were under-officers. After months of sporadic industrial action, in December 1951 the union reached an agreement on some issues, but KPM refused to discuss a comprehensive collective agreement. In August 1952 the SPSI renewed its demand for a collective agreement. Its log of claims included ships on inter-island routes abiding by Indonesian labour laws, the same pension regulations for sailors as for onshore workers, no discriminatory bonuses and the provision of work clothes for those who worked with machinery. It also demanded better meals for Indonesian sailors. Like many unions it objected to the wide differences in meals for different ranks, describing them as being like "heaven and hell".[41]

Once again KPM stalled. Its attempt to get a collective agreement blocked, the SPSI decided to increase the pressure by calling a company-wide strike. The P4P ordered its postponement, but soon after the union imposed an overtime ban, accusing the company of reneging on its promises to improve accommodation for Indonesian sailors.[42] It described KPM's wage policy for Indonesian workers as

[39] See the comment by the chairman of the SPSI, J.R. Jans, reported in *Indonesia Raya*, 8 May 1951, in *Situasi Perburuhan*, May 1951, pp. 19–20.
[40] Decision P4P No P4/M/52/67, 25 Jan. 1952, in *Tindjauan Masa'alah Perburuhan*, Feb.–Mar.–Apr. 1952, pp. 75–7. The company refused to accept the P4P recommendation that its classification system be made public.
[41] *Harian Rakjat*, 4 Sept. 1952. The decision of the P4P, along with the chronology of the dispute, is contained in Decision P4/M/54/1953, 29 May 1954, enclosed in KPM Box 412, in Archief KPM/KJCL, NADH.
[42] In a statement the SPSI said, "This accommodation is small and hot and compares unfavourably with that of foreign personnel, even though Indonesians such as navigation officers, local navigators and engineers perform work just as significant as that of foreign officers." *Nieuwsgier*, 5 Nov. 1952.

"wage slavery" and accused the company of providing good accommodation for Dutch officers but treating Indonesian sailors like animals.[43] When KPM referred the SPSI leaders to the chief public prosecutor's office for breaching the 1951 emergency law, the SPSI sent a circular to members calling on them to be prepared for a protest strike and stating that "its central leaders would rather die in jail than be sold out by KPM that in its opinion has an accomplice in the P4P".[44] Reflecting the government's view that KPM was an intransigent company, the chief public prosecutor decided against taking any action.

In January 1953 the P4P finally intervened by setting up a technical committee to establish new accommodation standards for KPM ships. To the chagrin of KPM, the three-person committee included a representative of the SPSI as well as the Harbour Department.[45] Some improvements were made, but unions continued to criticise conditions on KPM ships as a relic of the colonial past, accusing the company of doing as little as it could get away with.

Differential annual bonuses based on status and nationality was another major cause of conflict. In the face of pressure from unions, most shipping and stevedoring companies slowly conceded that colonial-era bonus structures were no longer tenable. In 1952 the Netherlands Indies Shipping Company at Semarang agreed to provide a bonus of eight months' base wages to all workers, and after a brief strike another company agreed to a common payment of ten months' base wages. Other companies in the Semarang harbour held out, resulting in sit-down strikes of two to three hours on 27 August. The regional dispute settlement committee intervened, ordered shore-based companies to pay an advance of between one and four months' base wages, and referred the issue for a final determination by the P4P in Jakarta.[46]

Despite pressure from unions and the government, KPM refused to change its race-based regulations. In 1951 senior Dutch employees were paid an annual bonus of 12.6 times their monthly salary and other Dutch employees 12 times. The bonuses for Indonesian

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[43] *Merdeka*, 29 Oct. and 5 Nov. 1952.

[44] The statement, dated 8 October, was reported in *Merdeka*, 14 Oct. 1952.

[45] *Locomotief*, 17 Jan. 1953.

[46] "Laporan tengah bulanan dari tanggal 22 s/d 4 Oktober 1952, mengenai pemogokan2 tuntutan2, perselisihan2 dan pernjataan2 dari Serikat2 Buruh di Indonesia", Arsip Sek Neg PM, Tahun 1950–1959, Inv. no. 3062, ANRI.

employees were starkly lower at 3.6 times the base monthly wage for seamen, three times for higher-level shore-based workers, and 2.6 times for lower-level shore-based workers. The company further inflamed unions by announcing that it intended to offset its 1952 bonus to Indonesian employees by the Lebaran payment the P4P had forced it to pay. Union outrage quickly forced KPM to withdraw this proposal, but it continued to refuse to change the race-based distribution of bonuses.[47] The SBPP and SPSI responded by forming united fronts in the major harbours and lodging a broad log of claims including a demand for an end to race discrimination and colonial-era regulations. The demands included a 30 per cent wage rise for shore-based workers and sailors, the same allowances for Indonesians as foreigners, and bonuses based on gross rather than base wages with all workers, both Indonesian and Dutch, paid the same percentage irrespective of their status. They argued that KPM could easily afford to meet these demands because in 1951 it had made a substantial profit and paid a dividend of 10 per cent. They threatened a company-wide strike unless their demands were agreed to.[48]

While the SBPP and SPSI eventually accepted the KPM decision on its bonuses for 1951, albeit reluctantly, the Surabaya branches of both unions rejected it and continued to demand 20 weeks' base wages for all workers. On 20 August the KPM section of the Surabaya SBPP imposed a ban on overtime and gave three weeks' notice of a strike.[49] The Surabaya P4D intervened, prohibiting a strike pending a decision from the P4P in Jakarta. On a number of occasions the P4P had expressed concern about union branches going it alone, urging union central executives to coordinate and standardise claims. It was not surprising that at the end of September it issued a binding decision instructing the two parties in Surabaya to refer the issue to their respective Jakarta head offices.

When negotiations in Jakarta stalled, the KPM section of the SBPP Surabaya branch held a one-hour demonstration, involving about 1,500 workers, in front of the KPM offices in the Surabaya harbour and threatened further action.[50] On 9 January 1953 it announced that it would reimpose a ban on overtime from 21 January,

[47] Managing Director Indonesia to Board of Directors, 5 Aug. 1952, KPM Box 412, in Archief KPM/KJCPL, NADH.
[48] *Trompet Masjarakat*, 4 Sept. and 30 Dec. 1952; *Java Bode*, 21 Aug. 1952.
[49] *Vrije Pers*, 18 Sept. 1952.
[50] *Trompet Masjarakat*, 2 Jan. 1953.

and if this did not force KPM to change its mind it would begin a total strike.[51] On 31 January the P4P recommended that KPM workers in Surabaya accept the company bonus for 1951, because the fiscal year had passed, but that KPM and the SBPP negotiate the structure of bonuses for 1952 and succeeding years with a view to reducing the differentials between groups of workers. On 5 March this became a binding decision.[52]

Negotiations between KPM and unions again failed, leading to a further conflict in July 1953 when the company announced that annual bonuses for 1952 would continue to be differentiated by status and nationality. The three unions in Tanjung Priok, representing land-based KPM workers, rejected this; and on 30 July the SBPP organised sit-down strikes for two hours in the morning and two hours in the afternoon on a daily basis, quickly causing a backlog of KPM ships in the harbour.[53] The SBPP's ability to organise a disciplined and effective strike was again on display. Each day of the strike, leaders toured KPM workplaces, the streets surrounding the harbour and workers' kampungs in order to ensure workers were well informed and that discipline was maintained. Orderly demonstrations were organised in front of KPM offices and regular contact maintained with the police and the military. The union also ensured that government supplies continued to flow through the port. At the beginning of August an SBPP delegation met the minister of labour, who promised that the P4P would establish an inquiry and reach a decision quickly. As a result, the strike was called off on 7 August.[54]

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[51] *Trompet Masjarakat*, 9 Jan. 1953; *Locomotief*, 9 Jan. 1953; *Nieuwsgier*, 12 Jan. 1953.

[52] *Trompet Masjarakat*, 24 and 31 Jan. 1953. See also P4P Decision P4-1537, 5 Mar. 1953, in Arsip Sek Neg Kab PM Tahun 1950–1959, Inv. no. 3074, ANRI.

[53] *Abadi*, 1 Aug. 1953; *Harian Rakjat*, 1 and 4 Aug. 1953. *Abadi*, quoting the Antara news agency, reported that 2,895 of the approximately 3,000 KPM workers in the Tanjung Priok harbour joined the strike. KPM refused to allow workers to unload a ship with supplies for the military during the stoppages in an attempt to force military intervention. The SBPP was furious, accusing KPM of trying to create a wedge between workers and the military.

[54] There is a detailed account of the dispute and the strike by Abdul Kadir, a member of the SBPP KPM motor service section of the Tanjung Priok branch: "Buruh Tandjungpriuk Melawan KPM", *Bendera Buruh*, 29 Nov. 1953, pp. 13–5. The SBPP was critical of the P4P for taking six months to decide to establish a committee of inquiry. See SBPP (Tuk Subianto) to President Republic of Indonesia, 27 July 1953, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Inv. no. 3043, ANRI.

Industrial action was again effective in achieving what negotiations could not. On 28 September the P4P instructed KPM to pay all shore-based workers, whether Indonesian or Dutch, a bonus of 4.2 times their basic monthly wage.[55] The KPM managing director was unimpressed, complaining that the P4P had no regard for the standpoint of the company and that "almost all sittings comprise accusations against whites".[56] For the SBPP, though, the decision was further proof that only industrial action would force KPM to abandon colonial-era policies.[57] The P4P decision established an important precedent. In future unions could challenge any company wanting to pay an annual bonus differentiated by nationality or function with every chance that the P4P would rule in its favour.

Despite the P4P decision, KPM and other shipping lines held out against paying the annual bonus to casual day-wage labourers or to the over 10,000 permanent day-wage workers in the Unie Kampung at Surabaya, Jakarta and Belawan, arguing that they were not their employees. KPM also refused to pay the annual bonus to sea-based workers, arguing that the P4P decision was restricted to those who were shore based. It was another example of the letter of the law approach that so infuriated unions. After further threats of industrial action, in September the P4P issued another binding decision that KPM must pay seagoing workers the same bonus as land-based workers and also pay the bonus to day-wage workers. The decision still did not cover workers in the Unie Kampung because it was a separate company. It took an SBPP threat to boycott the four companies that owned the kampungs in Jakarta, Surabaya and Belawan to force them into line.[58] KPM was also in dispute with the SBKPM because it wanted to deduct the days workers were on strike in February 1954 when calculating bonuses, and with the SBPP

[55] Extract of the report from the Managing Director Indonesia, no. 35, week 248-19/8 1953, KPM Box 412, in Archief KPM/KJCPL, NADH. A summary of the findings of the committee of inquiry is contained in Note from KPM Personnel Department, 26 Sept. 1953, enclosed in Managing Director Indonesia letter no. 316, 8 Aug. 1953, KPM Box 412, in Archief KPM/KKCPL, NADH. On the sit-down stoppages, see *Trompet Masjarakat*, 1 Aug. 1953; and *Nieuwsgier*, 3 Aug. 1953.

[56] Extract, Managing Director Indonesia letter no. 316, 8 Aug. 1953, KPM Box 412, in Archief KPM/KJCPL, NADH.

[57] "Buruh Tandjungpriuk Melawan KPM", *Bendera Buruh*, 29 Nov. 1953, p. 14.

[58] *Harian Rakjat*, 7 and 10 Sept. 1954.

because it wanted to limit the number of casual day-wage workers paid the bonus. When the P4P eventually ruled in favour of the unions, the KPM managing director spoke of his "disappointment" because the issues had involved matters of principle.[59] But he also privately admitted that his motive was to save Rp.1 million.[60]

KPM disputes with Indonesian unions over discriminatory annual bonuses continued despite the P4P ruling in 1954. In December 1956 the P4P accepted the SBPP argument that KPM must pay the bonus to casual day-wage workers in harbours other than the big five (Jakarta, Semarang, Surabaya, Makassar and Medan) who because of the nature of the industry worked less than 20 days a month. The new battleground, though, was over KPM paying the bonus to Dutch employees in guilders, at the official exchange rate of 3 to 1, but paying Indonesian employees in rupiah. The SBPP reached an agreement with KPM in 1956 on a bonus for 1955 of 4.2 times the basic wage for both seagoing and shore-based workers, but the PNI-linked union KBKI demanded that bonuses for Indonesian employees also be calculated in guilders and then converted into rupiah. This would increase the bonus from 4.2 times to 12.6 times the workers' monthly wage. For the KBKI it was an opportunity to show that it was as determined as the SBPP to end colonial-era race discrimination: "KPM must recognise that it no longer operates in the colonial territory of the old Netherlands Indies. This was buried during the revolutionary years that achieved an independent and democratic Republic of Indonesia."[61]

KPM ignored the demand, but its Amsterdam board was concerned that the P4P would support it, with the potential for a significant financial impact if the rupiah was further devalued.[62] KPM's negotiating position with Indonesian unions in 1957 was weakened, though, by the fact that it had increased its dividend to 11 per cent from the previous year's 10 per cent. It offered Indonesian workers an increased bonus of 4.9 times base monthly wages, but its managing

[59] Managing Director to Board, 12 Dec. 1955, KPM Box 412, in Archief KPM/KJCPL, NADH.
[60] See Managing Director to Board, 20 Sept. 1954, KPM Box 412, in Archief KPM/KJCPL, NADH.
[61] "Komentar KBKI, Sektor KPM, terhadap NV KPM", 17 June 1956, KPM Box 413, in Archief KPM/KJCL, NADH.
[62] Board of Directors to Managing Director Indonesia, no. 575, 5 Nov. 1956, in Ibid.

director was not surprised that unions rejected this and referred the dispute to the P4P. After private discussions with the minister of labour the managing director informed Amsterdam that the P4P was likely to order a bonus of eight times the basic monthly wage but that it was better to wait for a formal decision rather than negotiate with the unions. His advice on the probable P4P decision proved correct.[63]

The Issue of Overtime

The 1950 labour laws regulated overtime: it was voluntary, needed prior approval from the local Labour Office, and needed prior consultation with unions. Some unions had managed to incorporate these rules into collective agreements, knowing that unless they did so companies were liable to ignore them. The government agreed with unions that under colonial rule many Indonesians, especially those engaged in manual labour, worked excessive hours to the detriment of their health. It was determined to enforce the labour law that stipulated a maximum 48-hour workweek and limited the permissible number of overtime hours. Government and unions were also acutely aware of the high levels of urban unemployment and underemployment and hoped that enforcing the regulations on working hours might make a dent on these numbers.

This was a contentious issue for stevedoring and shipping companies because they needed to turn ships around quickly. Harbour operations depended on overtime being worked at nights, on Sundays and on national holidays during busy periods, and the voluntary nature of overtime was a powerful strategic weapon for unions. Overtime bans had an immediate financial impact on companies and were regularly used to exert industrial pressure during disputes because they were not explicitly prohibited by the emergency law of September 1951.

In 1953 the Jakarta branch of the Shipping Employers Association sought to remove this industrial leverage by making overtime a condition of employment. Unsurprisingly, the SBPP rejected the idea. It was well aware of the value of overtime bans as an industrial weapon, though it also knew that workers often welcomed overtime

[63] Extract, Report Director outside Europe, no. 659, 27 July 1957, in Ibid.

because it augmented meagre wages. It argued that if workers had decent wages in the first place, they would not need to risk their health by working excessive hours.

The issue was important to the SBPP and employers but also to the government because it did not want the smooth operations of the harbours compromised. The government intervened on 13 May with the P4P ruling that companies in the Tanjung Priok harbour could require workers to work overtime when needed for the loading and unloading of ships or to assist ships move in or out of the harbour. The new regulations were to come into effect on 1 November, giving the companies and the SBPP time to adjust and negotiate acceptable arrangements. The SBPP immediately rejected the decision, informing branches and sections that it was unlawful and instructing them to impose a ban on overtime from 7 November. The Tanjung Priok branch argued that it was a matter of principle: workers were not opposed to overtime, only to being forced to do it. The SBPP branch feared that if overtime was made compulsory in the Jakarta harbour, it would eventually be compulsory elsewhere, with serious consequences for workers.[64] The ban remained in place until mid-December, slowing the turnaround of ships in the harbour.

Some companies in the Tanjung Priok harbour reported that the SBPP decision was unpopular with workers and that many ignored the ban.[65] Others used the SBII to try to break the impasse. For its part, the SBII saw an opportunity to strengthen its position in the Tanjung Priok harbour. It instructed its members to continue working overtime and urged SBPP members to change their allegiance in order to maintain their incomes. It also recruited outside labour and was reported as receiving commissions from some employers for helping surmount the ban.[66] There were reports of supervisors pressuring workers to resign from the SBPP and join the SBII.[67] The ban was lifted after a delegation from the SBPP Jakarta branch met the prime minister, the chairman of parliament and the chairman

[64] See the statement of the SBPP Tanjung Priok branch in *Merdeka*, 3 Dec. 1953.
[65] Managing Director letter 959, 22 Oct. 1953, KPM Box 412, in Archief KPM/KJCPL, NADH. The managing director stated that many SBPP members at Tanjung Priok continued to work overtime.
[66] This section is based on VWHI, Monthly Report 11/1953, Nov. 1953, pp. 4–5, in Archief Hoge Commissariaat Indonesie, Inv. no. 320, NADH.
[67] See Ibid.

of its labour committee on 26 November seeking their support to reverse the decision. The prime minister undertook to investigate.[68]

The 1954 Strike

Industrial issues that had dogged the shipping and stevedoring industry came to a head in January 1954, leading to four months of serious disruption in the harbours. In the middle of 1953 the SBPP's four major branches in Jakarta, Semarang, Surabaya and Belawan lodged separate claims for new collective agreements. Negotiations were complicated by the lack of uniformity in their demands. The Belawan branch, for example, demanded a 60 per cent increase in wages for monthly paid workers and a doubling of wages for day-wage workers, an extra week's annual leave (to three weeks) and, reflecting the fact that most members had been recruited from Java, three months' long service leave after six years' service.[69] The Surabaya branch demanded a 30 per cent wage rise, increased transport and rice allowances, and, reflecting the shortage and high cost of housing in Surabaya, a housing allowance of Rp.50 a month for workers not provided with company housing.[70] The Shipping Employers Association rejected the claims out of hand and refused to negotiate, causing SBPP branches to threaten industrial action.

The SBPP central executive, long concerned about branch autonomy, then took charge of the dispute. While determined to improve wages and conditions, it decided to follow the advice of Sobsi that unions should make realistic demands in order to keep the government and the public on their side. The Jakarta, Semarang, Surabaya and Belawan branches were informed that their demands had been consolidated into a single national claim, the centrepiece of which was a wage increase of between 20 per cent and 30 per cent, with a minimum increase of Rp.2 for day-wage labourers and 30 cents an hour for hourly paid workers. It wanted the increases backdated to 1 January 1953, the date workers had last received a wage rise, arguing that since then government-approved tariffs had increased twice and Dutch workers as well as Indonesian staff employees had received wage increases of between 20 per cent and 100 per cent.[71]

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[68] *Merdeka*, 27 Nov. 1953.
[69] *Nieuwsblad voor Sumatra*, 4 July 1953.
[70] *Nieuwsgier*, 7 Aug. 1953.
[71] *Kapal Tudjuh* 4, 1 (1956): 5.

The Shipping Employers Association continued its strategy of stalling in order to force the P4P to intervene. On 17 November the P4P established yet another inquiry into wages and conditions in the five major harbours of Jakarta, Semarang, Surabaya, Belawan and Makassar. In the meantime, as employers had anticipated, it prohibited the SBPP from strike action.[72] However, the Shipping Employers Association was annoyed that at its first public hearing on 5 December the P4P asked its view on converting contract labourers who had worked many years for the same company into permanent workers and on paying casual and contract labourers individually rather than through foremen. In a high-handed response, illustrative of its attitude to changing colonial-era practices, the Shipping Employers Association stated that it was improper for the inquiry to compare workers with higher-level employees.[73]

The P4P promised a decision by the end of 1953, but its workload again prevented it from meeting its deadline. The pressure on foreign-owned companies to negotiate increased in January 1954, when many national companies, including the state-owned shipping line, agreed to union demands.[74] When complaining later that the SBPP had discriminated against them by exempting national companies from industrial action, foreign companies conveniently failed to mention that, unlike them, national companies had settled with the unions. For its part, the SBPP strongly denied assertions that increasing wages would only lead to higher prices, pointing out that the four major shipping companies—KPM, KJCPL, Rotterdam Lloyd and SMN—had made a collective profit of Rp.257 million in 1952. Workers' wage demands, it argued, amounted to only 20 per cent of this and would simply reduce the amount of profit going overseas.[75]

Determined to maintain control, the SBPP central executive organised campaigns in the port cities to bolster public and government support. Regular press conferences were held in Jakarta to ensure that the union position was reported in both the Dutch and the Indonesian-language press and branches were organised to visit dockworkers' kampungs in order to rally support. Central and branch

[72] Ibid.: 4; *Harian Rakjat*, 2 and 13 Jan. 1954.
[73] VWHI, Monthly Report 12/1953, Dec. 1953, p. 1, in Archief Hoge Commissariaat Indonesie, Inv. no. 320, NADH.
[74] *Harian Rakjat*, 6 Jan. 1954.
[75] *Harian Rakjat*, 16 Jan. 1954.

officials also sent delegations to civil and military authorities in the port cities to explain the campaign and keep them on their side.[76]

The dispute involved other KPM unions as well as the SBPP. Since August 1952, the SBTP—the union for lower-level KPM technical workers and drivers—had been in dispute with KPM over race-based wage differentials, while the SBKPM—the union for clerical and administrative workers—had threatened a strike since November 1953, when the company refused to meet its demands for wage rises and improvements to sick leave, holiday leave, cost-of-living allowances and child allowances.[77] The sailors union, the SPSI, was also in a fight with KPM over demands lodged in August 1952, which included wage increases and an end to differential bonuses provided to Indonesian sailors and under-officers from those provided to Dutch officers.

On 29 January the P4P announced a compromise between the SBPP's extensive demands and employers' refusal to make any concessions at all by recommending a 10 per cent wage rise for monthly paid workers and a 90-cents-a-day increase for day-wage, casual and contract workers. Other items, including sick leave, medical costs, overtime and pensions were referred back to the parties for further negotiation. In defending the P4P decision to make recommendations rather than binding decisions, the minister of labour stated that this established a baseline that could be increased through further negotiations between the union and employers. Nevertheless, he warned that if further negotiations did not lead to an agreement within two weeks the P4P would make a binding decision.[78] Both sides were surprised that after a lengthy inquiry the P4P did not immediately make a binding decision. Given the gulf between the two parties it was unrealistic to believe they could settle their differences quickly.[79]

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[76] *Kapal Tudjuh* 1 (1956): 5.

[77] See Managing Director KPM to Directors, 4 and 5 Feb. 1954, KPM Box 412, in Archief KPM/KJCP, NADH.

[78] *Harian Rakjat*, 1 Feb. 1954.

[79] VWHI, Monthly Report 1/1954, Jan. 1954, in Archief Hoge Commissariaat Indonesie, Inv. no. 320, NADH. Minister of Labour Abidin told a press conference that the P4P made recommendations only because it believed that an agreement between the parties would have a more permanent impact than if it issued a binding decision. It wanted the parties to reach an agreement on the basis of "goodwill". See report in *Algemeen Indische Dagblad*, 16 Feb. 1954.

While the SBPP had been prohibited from calling a strike since August 1953, when the issues first went to the P4P, the other KPM unions were under no such prohibition because they were in dispute with KPM, not the Shipping Employers Association. The SBKPM and SBTP immediately rejected the P4P recommendations. The SBKPM was particularly critical of its recommendation for an increase in the cost-of-living allowance of only 10 per cent, when since August 1952 KPM had paid two increases to expatriate workers.[80] It called a three-day strike from 1 February at KPM offices and installations throughout the country.[81] Workers demonstrated in the forecourt of the KPM head office in Jakarta carrying red and white national flags and red flags that had become a widespread symbol of a strike.[82] On 4 February the SBKPM extended its strike and was joined by the SBTP. Some 7,000 SBKPM members and 2,500 SBTP members brought KPM's operations to a standstill.[83]

On 7 February the SBPP joined the industrial action not just against KPM but against all members of the Shipping Employers Association. Prohibited from organising strikes, branches held sit-down stoppages and imposed overtime bans that had the same effect. The Tanjung Priok branch adopted a new tactic of rotating two-hour sit-down stoppages in different areas of companies' operations, thereby making normal operations impossible.[84] By 12 February 25,000–30,000 workers in the Tanjung Priok harbour, including 2,500 at the drydock company, were involved in regular sit-down stoppages.[85] The Belawan, Semarang, Surabaya and Makassar branches also organised sudden sit-down stoppages, with Surabaya holding stoppages for five hours each day.[86] The operations of foreign-owned companies came to a halt. National companies were unaffected because they were paying the increased wages demanded by unions

[80] *Harian Rakjat*, 2 Feb. 1954.
[81] Ibid.; *PI Aneta*, 3 Feb. 1954.
[82] *PI Aneta*, 5 Feb. 1954.
[83] *Nieuwsblad voor Sumatra*, 4 Feb. 1954.
[84] *Nieuwsgier*, 13 Feb. 1954.
[85] *Harian Rakjat*, 12 Feb. 1954; *Nieuwsgier*, 11 Feb. 1954. The SBPP Jakarta branch took the precaution of sending a delegation to explain their actions to the civil and military authorities. *Harian Rakjat*, 8 Feb. 1954. The SBII instructed its small number of members in the harbours to keep working normally and to accept overtime. *Harian Rakjat*, 11 Feb. 1954.
[86] *Java Bode*, 16 Feb. 1954; *PI Aneta*, 10 and 11 Feb. 1954.

and this ensured that essential government and military supplies were unloaded and moved out of the ports.

The lack of sympathy within the government for Dutch shipping and stevedoring companies was again on display when the minister of labour refused to intervene, describing the strikes as orderly and peaceful.[87] However, he refused an SBTP request to reconsider the P4P recommendations, arguing that unions should negotiate with KPM. Unions responded that this was useless because KPM's strategy was to concede no more than the P4P determined.[88] Nevertheless, meetings were held between unions and KPM management. The SBTP offered to reduce its claim to a 16 per cent wage rise for day-wage workers and a 10 per cent rise for monthly paid workers provided they were backdated to 1 January 1953.[89] The SBKPM also lowered its demands by no longer demanding wages equal to those of expatriate employees.[90] KPM remained obdurate. Its managing director informed directors in the Netherlands that while he intended to continue to refuse union demands he had publicly agreed to consider them because he did not want the government to think he was refusing to negotiate.[91]

On 13 and 15 February the P4P issued a binding decision on wages and recommendations on the other issues in dispute.[92] The two key elements concerned wages. Wages of daily, hourly and piecework workers at the Belawan, Tanjung Priok, Semarang, Surabaya and Makassar harbours were increased by 16 per cent and those of monthly paid workers by 10 per cent, backdated to 1 January 1954. In an attempt to reduce the scope for deductions by foremen and labour contractors, companies were instructed to have systems in place by 1 June to pay casual, piecework and day-wage workers directly.[93] In addition to these binding decisions the P4P made seven

[87] *Java Bode*, 15 Feb. 1954.
[88] *Nieuwsgier*, 4 Feb. 1954.
[89] *PI Aneta*, 5 Feb. 1954, enclosed in KPM Box 412, in Archief KPM/KJCPL, NADH.
[90] *PI Aneta*, 8 Feb. 1954; and Managing Director KPM to Board, 12 Feb. 1954, in Ibid.
[91] Managing Director KPM to Board, 12 Feb. 1954, in Ibid.
[92] The decisions were reproduced in Central Executive of SBPP to P4P, 27 Feb. 1954. A Dutch translation of this letter is enclosed in Archief Hoge Commissariaat Indonesie, Inv. no. 320, NADH.
[93] Managing Director KPM to Board, 17 Feb. 1954, KPM Box 412, in Archief KPM/KJCPL, NADH; *Harian Rakjat*, 18 Feb. 1954.

recommendations, including using the new wage rates as the basis for calculating bonus payments for 1953; making Lebaran payments in 1954 the same as those in the previous two years; and abiding by earlier decisions on sickness and medical benefits, overtime payments and annual leave. In order to address the inequities in pension regulations, unions and companies were requested to report back by the end of 1954 on regulations for those currently ineligible for pensions.

Months of discussions between KPM and the SPSI over a collective agreement for Indonesian sailors also failed. The P4P once again was forced to arbitrate. The SPSI demanded not only wage increases for Indonesian sailors on inter-ocean and inter-island ships but also extensive changes to the company's regulations to remove race discrimination. These included an end to the practice whereby Dutch officers got superior meals to Indonesian sailors, the full application of Indonesian labour laws to inter-island ships, an increase in the annual bonus for Indonesian sailors to three times the current figure because Dutch officers were paid in guilders, and an initial clothing allowance to Indonesian sailors and under-officers because one was provided to Dutch officers. The SPSI also demanded the same cost-of-living and child allowances for sailors and officers.[94] On 8 January the SBPP added its weight to these demands by publishing an open letter to the minister of labour reiterating its demand for a 20 per cent increase in sailors' wages. It rejected KPM's argument that it could not afford an increase by pointing out that the company had given its Dutch sailors a significant increase the previous August: "It is increasingly clear that the current minimum wage in the shipping and stevedoring industry is a relic from colonial regulations, very low and no longer realistic."[95]

The P4P binding decisions of 13 and 14 February applied only to onshore workers. The threat of further major disruption to shipping succeeded. On 25 February the P4P issued a binding decision to increase sailors' wages by between 10 per cent and 15 per cent and established a committee of inquiry to investigate all other issues.[96] In a binding decision on 29 May the P4P acknowledged that KPM had subsequently agreed to negotiate a collective agreement with the

[94] The detailed SPSI claim is published in P4P Decision P4-5466, 29 May 1954, enclosed in KPM Box 412, in Archief KPM/KJCPL, NADH.
[95] *Antara*, 9 Jan. 1954, in Ibid.
[96] Managing Director KPM Report 1/3/1954–6/3/1954, in Ibid.

SPSI, that after an earlier P4P decision it no longer discriminated on the grounds of race in paying annual bonuses, and that the union had withdrawn its claims for increased cost-of-living and child allowances. It refused all other union demands.[97]

The SBPP was unhappy with the P4P compromise. At the end of February, the SBPP urged the P4P to reconsider its decisions and to make all of them binding on employers. It acknowledged that wage increases were a step forward for dockworkers but considered they were still far from a living wage. It saw them as minimum wages and the basis for further demands. It was particularly critical of the decision on wages for contract labourers, arguing that they did the same work as day-wage labourers and therefore should be paid the same rates. It was also critical of the establishment of a minimum daily wage of Rp.6.75 in the Jakarta and Semarang harbours but only Rp.5.75 in the Surabaya harbour, arguing that it was unfair and demanding that the Surabaya rate be the same as the rate in the other Java harbours. It rejected the decision not to apply the wage increases to sailors, apparently because employers argued that sailors' wages were determined by head offices in the Netherlands, demanding a simplification of their wage structure and wages equal to those of onshore workers. Finally, it demanded that the P4P instruct employers to pay workers for the days they were on strike, arguing that the strikes were peaceful and orderly and occurred only because companies refused to negotiate.[98]

The Shipping Employers Association regarded the SBPP submission to the P4P as further evidence of the SBPP's objective of creating continuing unrest in the harbours. Employers' disquiet was in part annoyance at the effectiveness of the union's campaign to increase the original recommendation.[99] The Shipping Employers Association's own submission to the P4P once again revealed the inability of employers to recognise that workers could no longer be controlled as they had been under colonial rule. While the association accepted the binding decision on wage increases, albeit reluctantly and after expressing "disappointment" at the P4P for caving in to union pressure and predicting it would lead to a new wave of labour

[97] Ibid.
[98] Central Executive of SBPP to P4P, 27 Feb. 1954. A Dutch translation of this letter is enclosed in Archief Hoge Commissariaat Indonesie, Inv. no. 320, NADH.
[99] See employers' comments in *Algemeen Indische Dagblad*, 19 Feb. 1954.

unrest, it strongly objected to the seven (non-binding) recommendations. It reiterated its view that the structure of wages was entirely the prerogative of employers: "employers regard the question of the basic wage and the system of wage progression as an issue that belongs exclusively to them. If we abandon this standpoint and support the SBPP submission to your committee then the only result will be even less labour peace in the harbours in 1954."[100]

The Shipping Employers Association stated that it was impossible for companies to pay workers directly, rather than through foremen or contractors, because they did not register casual and contract labourers. It opposed companies having to provide one month's notice of annual bonuses and negotiate any disagreement with unions on the grounds that this would open a new area of labour unrest. It also opposed the recommendation that companies devise pension regulations for workers currently not covered, restating its long-standing position that there was no legislative requirement to provide pensions and that it was impossible to create an actuarial based system in the absence of statistics on the age of the population.[101]

The recommendations that required further negotiations between employers and unions opened the way to further conflict. In the meantime, stoppages occurred because some companies were slow to implement the P4P binding decisions. One major stoppage was over employers' widespread refusal to pay workers for the days on strike in February. On the first payday after the end of the strike many companies withheld wages for the days on strike. At Tanjung Priok, workers at the tugboat companies refused to accept their reduced wages, protesting with an all-day sit-down strike.[102] KPM workers also demonstrated inside the KPM offices, and the following day a large number of workers' wives held their own protest outside the building.[103] Some companies eventually caved in, but KPM held firm "as a matter of principle", in the words of its managing director. Unions approached the Ministry of Labour, which tried to persuade KPM to change its mind, but to no effect.[104]

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[100] Vereeniging van Werkgevers in de Havenbedrijven in Indonesie to P4P, 17 Mar. 1954, in Archief Hoge Commissariaat Indonesie, Inv. no. 320, NADH.
[101] Ibid.
[102] *Nieuwsgier*, 16 Feb. 1954.
[103] *Nieuwsgier*, 26 and 27 Feb. 1954.
[104] Managing Director to Board, 8 May 1954, KPM Box 412, in Archief KPM/KJPCL, NADH.

Ongoing Industrial Unrest

Maritime unions continued to insist that in an independent country, race-based regulations on wages and conditions were not acceptable. In 1954 Adisumarto, the second secretary-general of the SBPP, reminded readers of Sobsi's magazine *Bendera Buruh* that in 1920 a colonial wages commission had concluded that an Indonesian could live on 2.5 cents a day at a time when the minimum wage for a European was two guilders a day. Indonesians, he said, would no longer accept the colonial mentality that they should be satisfied with lower wages than foreigners.[105] In the same year a delegation from the SBPP urged the minister of labour to persuade the P4P to impose a single classification and wage system in the harbours and the shipping industry, together with clear progression rules. It wanted a fixed total wage for each classification, rather than the existing base wage plus allowances, because after past P4P decisions to increase wages many companies, including KPM, had increased workers' base wages but adjusted allowances so that total wages were unchanged.[106]

The shipping and stevedoring industry continued to be reluctant to make more than minimal changes to colonial-era regulations and labour practices. As a result, industrial relations remained fraught. The Tanjung Priok Drydock Company repeatedly refused SBPP requests to renegotiate its 1952 agreement until, under pressure from the minister of labour and after three months of meetings, proposals and counterproposals, in February 1955 it finally signed a new agreement. In forwarding a copy of the agreement to directors in the Netherlands, the managing director explained the reasons for his change of policy: "We realise that you will believe that several provisions are far too lenient towards the workers. However, will you be so kind as to take into account the fact that the mood here can sometimes overreact into stating that 'the employer is always wrong and must always pay'."[107]

The 22-clause document covered a broad range of issues, from wages and allowances to holidays and structural issues that had long been part of union agendas. It was a triumph for the SBPP. The

[105] Adisumarto, "Kesatuanaksi djalan setepat-tepatnja untuk melawan berlangsungnja ras-diskriminasi upah", *Bendera Buruh*, 1954, no. 1, pp. 6–7.
[106] *Harian Rakjat*, 29 Oct. 1954.
[107] Managing Director to D. Croll, 17 Mar. 1955, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 23, NADH.

complex and opaque wage structure typical of the colonial era was replaced with just four categories of employment: workers with trade skills and experience, workers with experience, workers with no formal skills or experience, and casual day-wage workers. With minimum wages being set from Rp.10.75 for the first category to Rp.7.80 for the fourth, the gap between the top and bottom was significantly reduced. The document also included a Lebaran payment of one month's base wage, or ten days' wages for day-wage labourers; meal money of between Rp.2.50 and Rp.10 depending on the time of day; and guaranteed annual bonuses linked to the company's profitability. Overtime rates were fixed at the highest rates in the industry: 150 per cent and 200 per cent on normal working days, 200 per cent on Sundays, and 300 per cent on official holidays.[108]

The drydock company managing director later acknowledged, with some surprise, that as a result of the new collective agreement being signed with the SBPP, problems with the union ceased and productivity improved.[109] However, a year later, when the SBPP sought revisions to the agreement, he again described its demands as "unreasonable". These unreasonable demands included the provision of work clothes, which he acknowledged many other companies already provided. On the demand for improved canteen facilities, he reported paternalistically to his Netherlands board: "On the matter of a canteen, we have hardly done less than what these humble people are accustomed to. If we had done more, we would have seen no benefit. But now that these demands have been made, we must go a few steps further."[110]

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[108] The details were reported in *Harian Rakjat*, 21 Feb. 1955; and in Managing Director to D. Croll, 31 July 1956, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 23, NADH.

[109] Managing Director to D. Croll, 31 July 1956, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 23, NADH.

[110] Managing Director to D. Croll, 23 May 1956, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 24, NADH. This was a view commonly held by employers. When the SBPP referred a dispute with ten companies to the P4P in late 1956, one of the issues in dispute was a demand for improvements to food and canteens. The Shipping Employers Association offered to increase the food allowance a little but said that companies did not have enough space for a dedicated canteen and "that in fact experience has shown that workers prefer to eat at the place where they perform their work". Quoted in Decision P4P P/4/M/56/4211, in *Tindjauan Masa'alah Perburuhan*, Jan.–Feb. 1956, p. 27.

The few steps further, in the managing director's view, involved the provision of more tables and benches so that workers did not have to eat their meal sitting on the floor. He also recognised that he could not deny the union claim for an increase in the midday meal money from Rp.2.50 to Rp.3.25 because, with the kitchen closed during the Ramadan fasting month, workers had been paid the higher rate in cash. The company had reverted to the old rate after reopening the kitchen, but the SBPP argued that the quality of the free meal must now reflect the higher rate.[111] Other union demands included a death benefit for families of workers and the conversion of security guards from day-wage to monthly wage earners. The P4P seems to have subsequently ruled in favour of the SBPP on most of these issues, thus averting further strikes.

The SPSI remained in continuous dispute with KPM over the company's refusal to change colonial-era regulations or abide by Indonesian labour laws on its inter-ocean ships. The union opposed the route system whereby Indonesian sailors were employed for one journey at a time, accusing the company of using this to avoid its social wage obligations. It objected to the 112-hour working fortnight for sailors, demanding it be reduced to 48 hours a week. It objected to KPM's refusal to pay overtime in accordance with Indonesian labour laws, to pension regulations that left retired sailors impoverished, to the replacement of Indonesian workers on some routes with cheaper Chinese labour from Singapore and Hong Kong, and to sailors being paid lower annual bonuses than onshore workers. Discussions on pension regulations for Indonesian sailors stalled in March 1955, when KPM refused to provide the SPSI with information about the pension regulations for officers or provide copies of the annual reports of its pension fund. The managing director informed his board that he had no intention of taking the initiative to restart discussion. However, when the SBKPM approached him to discuss pension regulations he responded that he was in discussions with the SPSI and could not negotiate with two unions at the same time.[112] The SBPP argued that unions were constantly getting the runaround from KPM. When they raised issues with the KPM board in the

[111] Managing Director to D. Croll, 13 June 1956, in Archief Droogdokmaatschappij Tandjong Priok, Inv. no. 24, NADH.
[112] Managing Director to Board, 10 Aug. 1955, KPM Box 412, in Archief KPM/KJCPL, NADH.

Netherlands they were told that these were the responsibility of the managing director in Indonesia, but when they raised them with the managing director they were told that they were the responsibility of the Netherlands board.[113]

The SPSI and the SBKPM lodged new claims in April 1955, including a 30 per cent wage rise for local workers, which they argued was equivalent to that already provided by KPM to high-level (mainly Dutch) workers. The SPSI also wanted company-provided housing for sailors, a demand that the managing director informed his board "was brushed away with a wave of the hand".[114] The unions backed their claims with a threat to strike from 2 May. KPM responded as it always did by refusing to negotiate, confident that the P4P would establish an inquiry and prohibit a strike. Its confidence was justified. Two days before the strike was due to begin, the P4P established an inquiry and prohibited industrial action until the end of May. The managing director admitted, though, that the claim for increased wages was reasonable and that his strategy was designed to pressure the government into allowing the company to increase freight rates:

> However much we accept that a wage increase for local workers is justified, in order to compensate for the continuing steady increase in the cost of living, we will continue to reject the demands and instead urge the P4P to make a decision. On the basis of the P4P decision we will then seek an increase in the controlled freight charges.[115]

He warned the board that he expected that the P4P would award a wage rise of between 10 per cent and 15 per cent, retrospective to 1 January 1955, because staff employees had already received increases backdated to the beginning of the year. Nevertheless, despite the probability of the P4P forcing the company's hand he believed that

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[113] *Harian Rakjat*, 8 Mar. 1954.

[114] Extract, Managing Director letter no. 103, 16 July 1955, KPM Box 412, in Archief KPM/KJCPL, NADH.

[115] Confidential letter, Managing Director, no. 459, 29 Apr. 1955, in Ibid. In handing down a decision on a wage rise in early 1957 the P4P forcefully rejected the argument of employers that they could only increase wages if they received permission to increase tariffs. It argued that "that approval to increase shipping industry tariffs is outside the authority of the Central Committee and cannot be used as an argument about increases in workers' wages". P4P Decision (P4/M/57/5793), *Tindjauan Masa'alah Perburuhan*, Jan.–Feb. 1957, p. 19.

the informal way in which casual and contract labour was employed would enable him to avoid back pay to them.[116]

In late July, after the failure of mediation, the P4P issued a binding decision increasing the wages of monthly and day-wage workers by 15 per cent, backdated to 1 February. In a move guaranteed to further inflame relations with the SPSI, KPM responded by reducing sailors' cost-of-living allowance to offset some of the cost.[117]

SBPP Expansion

In February 1956 the SBPP held its second congress in Surabaya. The central executive celebrated the union's achievements since 1950 in improving workers' wages and conditions but acknowledged that wages continued to be outpaced by inflation. It drew attention to official statistics showing that the cost of living was between 32 and 44 times higher than before the war while wages of harbour workers and sailors had increased by about half that rate. It took issue with the constant claims of KPM and other foreign companies that unions were destroying their businesses with excessive wage claims, pointing out that since 1952 KPM had increased its annual profit by 50 per cent and had paid annual dividends of between 9 per cent and 12 per cent. Wage increases, it asserted, clearly had no impact on the profitability of foreign companies.[118]

The central executive stressed the importance of negotiating collective agreements not only with the Shipping Employers Association but also with individual companies in the harbours. It went on to acknowledge criticism that the union had not paid enough attention to workers employed by harbour authorities and sailors employed by the state shipping company, with the result that few had joined the union. It undertook to pay more attention to them in the future, noting that it had already expressed concern about the Tanjung Priok harbour authorities establishing a social welfare cooperative.[119]

Since its formation in October 1951, the SBPP had aspired to create a single industry-wide union. It sought to insert exclusivity

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[116] Ibid.
[117] Confidential letter, Managing Director, no. 47, 10 Aug. 1955, KPM Box 412, in Archief KPM/KJCPL, NADH.
[118] "Tadjuk Rentjana Laporan-Umum Congress Ke-11 SBPP Dalam Bentuk Buku", *Kapal Tudjuh* 1 (1956): 6.
[119] *Kapal Tudjuh* 1 (1956): 10.

clauses in collective agreements, but this was rejected by the P4P. It maintained good relations with the SBKPM and SBTP because neither was a direct competitor. It was a potential competitor to the sailors union, the SPSI, but until the mid-1950s focused its attention on onshore workers. Both the KBSI and the KBKI established branches in the harbours, but neither was a strong competitor, although the SBPP was critical of them for not always supporting industrial action.[120] The SBPP's relationship with the SBII was very different. The SBII had a small number of members in the major harbours, with employers actively supporting it as a conservative counter to the more militant SBPP. Along with all Sobsi unions, the SBPP attacked the SBII for using religion to break the class solidarity of dockworkers. Its antagonism deepened because the SBII opposed industrial action, including overtime bans; negotiated separate agreements with employers instead of maintaining a united front; and recruited outside labour for companies during strikes and overtime bans. It accused the SBII of working with the management of the Unie Kampung to try to create separate unions and stated that only fierce action by the SBPP had forced the idea to be abandoned.[121]

Relations between the SBPP and the SPSI became strained from 1956, after the SBPP decided to put more effort into recruiting sailors. In April 1956 the SBPP lodged new claims on KPM that focused on sailors and under-officers. A key demand was the long-standing one for KPM to change working hours on ships from 112 hours a fortnight to 48 hours a week with overtime paid in accordance with Indonesian labour laws. The SBPP also wanted permanent employment for sailors, instead of them being employed from voyage to voyage; extra workers employed on ships to do sailors' laundry and cooking; and the provision of work clothes for sailors engaged in onshore work. Other demands included improved pensions and bonuses and free medicines for workers and their families.[122] After three months with no response, the SBPP wrote to KPM stating that while it was prepared to negotiate its demands the company's

[120] In February 1955 five unions, including the SBKPM and Perbutsi (formerly the Semarang union Gabungan Buruh Pelabuhan), formed the Federatie Buruh Maritiem Indonesia, which became a member of the KBSI. See *Nieuwsgier*, 11 and 12 Feb. 1955; and *Locomotief*, 15 Mar. 1955.

[121] *Kapal Tudjuh* 1 (1956): 7.

[122] *Harian Rakjat*, 17 Apr., 20 and 27 June 1956; *Bendera Buruh*, 25 Apr. 1956, p. 3.

refusal to engage was a deliberate attempt to humiliate the union. It threatened a strike from 27 June unless KPM entered into negotiations, but this was postponed after the P4P became involved.

KPM was increasingly concerned that the growing foothold of "the Communist union" among its sailors would result in the labour unrest it was experiencing among its onshore workers extending to its ships.[123] There is no doubt that KPM sailors became more assertive in 1956. Indeed, the SBPP approved KPM sections taking unilateral industrial action over local issues but warned them not to do so while ships were at sea because this could be interpreted as mutiny. Increasing numbers of sailors joined the SBPP, and there was a noticeable increase in industrial action. In 1956, for example, SBPP section leaders on the KPM ship *Generaal Van Geen* successfully demanded a second bathroom for sailors, and when the captain docked the wages of sailors who were 30 minutes late because of a transport strike they intervened to have the decision reversed. On another occasion, in September 1956, when the ship was at the Panjang harbour, Lampung, South Sumatra, the first officer ordered sailors to operate the tender which loaded and unloaded goods from the wharf, work normally done by dockworkers. The captain then refused to pay overtime to the sailors, even though they worked until early evening, until SBPP section leaders forced him to pay not just at dockworkers' rates but at the higher rate for sailors. In the same year leaders of the SBPP section on the KPM ship *Banjuwangi* succeeded in getting higher-quality food for sailors, improvements to the bathroom, fans in cabins, a cupboard in the canteen, and the provision of ice for sailors as well as officers.[124]

It was increasingly clear in 1956 that police and military authorities were reluctant to intervene during industrial disputes in KPM. In July, for example, sailors on the KPM ship *Janssens* went on strike, preventing it leaving the Tanjung Priok harbour. A KPM ship with 11 Chinese engine room workers from Singapore had undergone repairs in Tanjung Priok and then transferred to another route that bypassed Singapore. KPM wanted to return the Chinese workers to Singapore. It sought to move them to the *Janssens*, which was bound

[123] Managing Director to Board, 23 Jan. 1956, KPM Box 412, in Archief KPM/KJCPL, NADH.

[124] "SBPP Seksi Kapal Interinsular (KPM) Memperaktekan Petundjuk Kerdja", *Kapal Tudjuh* 4, 4 (1956): 11–2.

for Singapore, and transfer 11 Indonesian engine room workers to another ship. When the Indonesians refused to move, they were dismissed. The SBPP action in blocking the ship's movement from Tanjung Priok was at one level unreasonable, and certainly KPM viewed it this way. But it was an opportunity for the union to take a stand on the increasing tendency of KPM to circumvent collective agreements by replacing Indonesian sailors with cheaper labour from Hong Kong and Singapore. Negotiations between KPM and the SBPP failed to resolve the dispute, and neither the police nor the military were prepared to remove the seamen from the ship despite KPM's insistence that the movement of crews was at its sole discretion. With losses mounting, on 24 August KPM conceded defeat. It stated that it had decided to reinstate the Indonesian sailors "in order that these people do not become victims of the agitation from the strongly Communist-oriented labour union and in order to show goodwill towards the authorities".[125]

KPM complained that the SBPP was encouraging workers to openly defy its authority and that civil and military authorities were refusing to provide it with adequate support. Two incidents at the end of 1956 and the beginning of 1957 increased its alarm. The first was at Tanjung Pinang, in the Riau archipelago, in late November 1956. The *Waingapu* had berthed from Makassar, after diverting to Surabaya to offload the sick foreman of deck labourers. On 22 November the captain ordered deck labourers to sail with the ship back to Makassar, but they insisted that it return via Surabaya in order to collect their foreman. The captain refused, resulting in 14 deck labourers going on strike with the support of the ship's SBPP section. Despite requests from the ship's captain and KPM management in Jakarta, the police refused to forcibly remove the strikers until 19 December, when they received instructions to do so from the minister of labour. Even then the local prosecutor kept the ship in the harbour until 29 December while he completed his investigation.[126]

A more serious incident occurred on the *Valentijn*. The ship was due to sail from Surabaya to Kalimantan at the beginning of

[125] The KPM statement was reported in *PI Aneta*, 23 Aug. 1956. For KPM's view of the strike, see Extract, letter of Managing Director, Jakarta, no. 561, 23 Aug. 1956, KPM Box 413, in Archief KPM/KJCL, NADH.

[126] Managing Director to Board, 15 Jan. 1957, KPM Box 412, in Archief KPM/KJCPL, NADH; *Bendera Buruh*, 19 Dec. 1956.

December. The government had recently decided that loading and unloading ships should be the task of shore-based workers in order to boost national companies that had recently taken over foreign-owned stevedoring companies. As a consequence, the *Valentijn* did not re-engage its usual crew of 60 deck labourers. The SBPP protested and held up the ship for four days before the local military commander ordered it to leave, forcing KPM and the SBPP to reach an agreement that the ship's captain would not ask sailors to do the work previously done by deck labourers. However, when the *Valentijn* had moved clear of the harbour the captain stopped the ship and ordered ten sailors and four Indonesian under-officers taken ashore because they had expressed solidarity with the labourers. They refused to leave, the police refused to remove them, and after discussions with the harbour master and the KPM agent the captain eventually backed down.[127]

When the *Valentijn* arrived in Tanjung Priok on 24 December the chief public prosecutor began an investigation into the matter that stranded the ship in the harbour for over five months. On 27 March 1957 the SBPP gave three weeks' notice to the P4D in Jakarta that it intended to take strike action on all KPM ships over the company's actions on the *Waingapu* and the *Valentijn*. KPM refused to discuss the issue with the union, and on 3 May, in order to avert a national strike, the P4D referred the dispute to the P4P. The P4P, as usual, established a committee of inquiry to report back within two months. The political context, though, had changed, with martial law proclaimed in March in order to combat regional rebellions. On 6 May the local military commander intervened using his martial law powers. He urged KPM to discuss the issue with the SBPP but it refused, instead demanding that he remove the ten sailors from the *Valentijn*. The military commander then directed the company to rescind the dismissals, suspend the ten sailors on "waiting money" and return them to Surabaya, from where they had been engaged. A thoroughly annoyed KPM responded by rejecting his authority to issue orders to KPM on company procedures or operations. Two weeks later, after furious negotiations, the ten sailors were removed from the *Valentijn* with KPM agreeing to pay for their return to Surabaya. Subsequently the P4P ordered KPM to pay the

[127] *Java Bode*, 4 Dec. 1956.

ten sailors five months' back pay plus their 1957 Lebaran allowance. KPM initially refused, but an SBPP threat of further action quickly changed its mind.[128]

While the military and civil authorities increasingly refused to side with KPM in industrial disputes, they took a different approach over the implementation of 1954 legislation that required foreign-owned warehouse and stevedoring companies to transfer their businesses to national companies by 15 March 1956. The process was only partially completed at the end of 1957 when all Dutch assets were seized, in large part because of the issue of compensation.[129] The SBPP tried to maximise the benefit to affected workers. It insisted that national companies re-employ existing workers with no loss of wages or conditions and accept all obligations to retired workers. Most national companies accepted the justice of these demands, but some did so only under duress. In Samarinda, East Kalimantan, for example, the national company wanted to re-employ long-standing workers as contract labourers; and in Pontianak, West Kalimantan, the national company wanted to re-employ them on probation. In both cases workers would have lost the allowances previously paid to them as permanent employees.[130] In Semarang, a national company agreed to re-employ workers on the same conditions only after the SBPP Semarang branch threatened a boycott.[131]

Having succeeded on this issue, the SBPP then threatened industrial action unless the foreign companies made redundancy payments to workers based on their length of service and guaranteed that their pension rights would be honoured. The stevedoring companies rejected the claims, arguing that workers were not being made

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[128] Managing Director to Board KPM, 15 Jan., 12 Mar., 17 Apr., 16 and 23 May 1957; Decision of the Military Authority Jakarta Raya, 8 May 1957, KPM Box 412, in Archief KPM/KJCPL, NADH. In the letter of 16 May the managing director objected to the P4P urging negotiations with the union: "We say that this is unlawful because in our view this is not a labour dispute but a refusal to obey orders." See also *Harian Rakjat*, 5 Apr. 1957.

[129] For a discussion, see Lindblad, *Bridges to New Business*, pp. 121–2.

[130] "Pandangan/Pendapatan/Pendjelesan disekitar pengoperan Veem-2 asing sesuai dengan P.P. 61/54", Serikat Buruh Maritim Indonesia, 9 May 1956, in Arsip Sek Neg Kab PM, Tahun 1950–1959, Jld 2, Inv. no. 1798, ANRI. The Serikat Buruh Maritim Indonesia was formerly the Serikat Buruh KPM. The change of name reflected the reversion of KPM shore-based assets to national companies.

[131] See *Harian Rakjat*, 29 Feb. 1956; *Nieuwsgier*, 23 and 27 Apr., 3 May 1956.

redundant but merely transferred to national companies. The SBPP claim was initially rejected by the P4P as unreasonable, because national employers had taken over all the obligations of the foreign employers, but anxious to avoid yet another dispute in the harbours, it eventually ordered foreign companies to guarantee workers' pension entitlements and make redundancy payments to people who had worked at least five years.

Instead of accepting this as a major victory, the SBPP dug in. It called on the minister of labour to force the P4P to agree to a larger payment to all workers, not just those who had worked at least five years. When the P4P confirmed its decision on 10 January 1957 the union announced that it would begin industrial action in Jakarta and Surabaya over this and other unresolved issues with KPM. The industrial action began with a two-hour stoppage and overtime bans. The more militant Surabaya branch went further with daily sit-down stoppages in different parts of the harbour, effectively bringing work to a standstill. It threatened to increase its action from 29 January and impose a total strike in early February.[132]

The Surabaya branch underestimated the reaction of both employers and government. On 24 January, with the Surabaya stoppages in their seventh day, the Surabaya police summoned the leader of the SBPP Surabaya action committee, Sudarmo, for questioning.[133] A few days later, facing extensive stoppages, the Shipping Employers Association decided to close the Surabaya harbour to foreign ships from 28 January until the SBPP undertook to cease all industrial action.[134] The association would have been well aware that closing one of the country's major ports would put enormous pressure on the government to intervene. The Sobsi Surabaya branch responded by calling on the government to take strong action against employers and, if necessary, nationalise the shipping industry.

The SBPP also came under pressure from the national stevedoring association, which was the representative body for about 200

[132] *Bendera Buruh*, 23 Jan. 1957, p. 2; *Java Bode*, 28 Jan. 1957.
[133] *PIA*, 24 Jan. 1957.
[134] The SBPP Surabaya branch denounced this action as "brutal" and as an act of "sabotage". It accused employers of trying to drive a wedge between the government and the people, of trying to undermine the Ali government, and of trying to create unrest between workers and the public. "Pernjataan SBPP Surabaya branch", 28 Jan. 1957, in Kab Pres RI, Inv. no. 1485, ANRI.

national companies licensed under the 1954 legislation to operate in the harbours. It urged the SBPP to abide by the P4P decision in order not to damage national companies and threatened action against workers if it did not cease its industrial action.[135] On 27 January the Surabaya harbour, protected by the police mobile brigade, was virtually silent. Two days later, on 29 January, the police arrested nine SBPP Surabaya branch officials and charged them with breaking the 1951 emergency law.[136] Sensing defeat, on 30 January the SBPP central executive ordered its Surabaya branch to call off the strike.[137] Not all was lost, though. The industrial action persuaded the P4P to revisit its decision. The original decision gave no redundancy money to workers with less than five years' service. The P4P now decided that those who had worked with a company for at least three months should receive an additional "shake hands" premium of one month's wages and that this should be extended to temporary day-wage and contract labourers who had worked at least 240 days in the last year. Under SBPP and Sobsi pressure all the arrested Surabaya leaders were eventually released without charge.[138]

KPM felt under siege in 1956 and 1957, though skirmishes with unions were more subdued in 1957 as a result of martial law. In January 1957 the P4P finally ruled on its long-running wage dispute with the SBPP, KBKI, SBTP, SPSI and SBKPM, each of which had made separate claims for increases ranging from 30 per cent to 50 per cent. KPM privately stated that it was not opposed to a reasonable increase but that in order to protect its profit would not increase wages unless the government permitted an increase in tariffs. The P4P awarded a 10 per cent increase in the gross wages of all workers, including those employed by labour contractors. The SBPP and KBKI were unhappy about the size of the increase but welcomed the

[135] *Java Bode*, 28 Jan. 1957; *Algemeen Indisch Dagblad*, 1 Feb. 1957.
[136] *Algemeen Handelsblad*, 30 Jan. 1957.
[137] *Harian Rakjat*, 30 Jan. 1957. See Surabaya Consul-General to High Commissioner, 28 and 31 Jan. 1957, in Archief Commissariaat Surabaya, Inv. no. 1737, NADH. The Shipping Employers Association had successfully used this tactic in January 1955 when it decided that no ships would be sent to Semarang harbour because of an overtime ban imposed by Perbupsi, the Ritonga-led union that was the successor to the GSBI. The harbour was silent for ten days and reopened only after the overtime bans were lifted. See *Locomotief*, 19 and 28 Jan. 1955.
[138] *Bendera Buruh*, 26 Feb. 1957, p. 4; extract, Report Director outside Europe, no. 8, 17–23 Feb. 1957, KPM Box 413, in Archief KPM/KJCL, NADH.

precedent of its extension to contract labourers.[139] Once again KPM stuck to the letter of the ruling and refused to apply the increase to overtime rates until forced to do so by another P4P ruling in May. In the same month the P4P also ordered KPM to pay the 10 per cent wage rise to drivers at Tanjung Priok who under an earlier ruling had been converted from day-wage to monthly workers.[140] However, the Jakarta managing director was increasingly sensitive to the industrial consequences of differential treatment of Dutch and Indonesian employees. When the Amsterdam board approved a wage rise for all expatriate personnel in August, he urged that the decision be kept secret until the P4P had ruled on recent demands by Indonesian unions. He feared that increases awarded to expatriate personnel would detract from the company's argument to the P4P and that wage rises would not be followed by permission to increase tariffs.[141] His fears were realised, as anti-Netherlands sentiment reached its peak in the last few months of 1957.

[139] See extract, letter from Managing Director, Jakarta, 15 Nov. 1956; *PIA*, Jakarta, 25 Nov. 1956; and Report Director outside Europe, no. 6, 3–9 Feb. 1957, KPM Box 413, in Archief KPM/KJCL, NADH.

[140] Extract, Report Director outside Europe, no. 21, 19 May–25 May 1957, KPM Box 413, in Archief KPM/KJCL, NADH.

[141] Extract, letter from Managing Director, Jakarta, 29 Aug. 1957, KPM Box 413, in Archief KPM/KJCL, NADH.

8

Industrial and Urban Transport Workers

The largest unions were in the plantation industry, the maritime industry and the public sector, with Sobsi unions the most prominent. Sobsi unions also dominated most other sectors of the economy, including the oil industry, gas and electricity companies, textile and printing companies, banks and cinemas, as well as in factories that produced goods ranging from soft drinks, ice and soap to metal products. Three different industries illustrate the challenges that confronted unions in these diverse sectors. The first is the foreign-owned oil industry. It was highly profitable and strategically significant, with expatriate managers and technical staff and an Indonesian labour force largely recruited from Java. The second is the textile industry. There were a small number of foreign-owned companies and a few hundred Chinese-Indonesian companies, but the vast majority were small Indonesian-owned companies, and of these most were family enterprises. The industry was much less profitable than the oil industry and was steadily reducing its workforce as it struggled in the face of cheaper imports. The third is urban transport. There were no foreign companies of any significance with diverse national ownership, ranging from inter-city bus and truck companies and companies that operated fleets of urban taxis to thousands of individuals who rented taxis, *becak*, *dokar* or *gerobak* to drivers for a daily fee. The workforce was geographically scattered and predominantly precariously employed, with a large number of small companies and individual owners making it difficult for unions to organise workers.

The Oil Industry

The oil industry was a crucial part of the postcolonial Indonesian economy. The oilfields and refineries in Sumatra, Kalimantan and Java, the distribution centres in the major cities, and the petrol stations around the country were operated by three foreign companies, BPM/Shell, Stanvac and Caltex. BPM controlled about 70 per cent of an industry that in the early 1950s directly employed about 43,000 people and indirectly employed tens of thousands of contract labourers.[1] The oil companies had obtained "let alone" agreements with the colonial government in 1948 that were honoured by the Indonesian government on the transfer of sovereignty in December 1949. These agreements freed them from foreign exchange and profit repatriation rules for a limited period of time, in return for reinvesting in the war-damaged industry.[2] The government also expected them to reduce their dependence on expatriate managers and technical staff by developing the skills of Indonesians and promoting them to higher positions. The companies did invest substantially in education and training and through the 1950s reduced the number of expatriates they employed. Nevertheless, senior management of the three companies remained in the hands of expatriates: mainly Dutch (and to lesser extent British) in BPM/Shell and American in Stanvac and Caltex.[3]

Unions for oil industry workers emerged in the heady days after the declaration of independence. As early as 25 August 1945, the Persatuan Pegawai Minyak (Association of Oil Employees, PPM) was formed in Palembang under the leadership of Palembang Resident Dr Isa.[4] In December 1948 the PPM changed its name to Persatuan

[1] The government-owned Petroleum Board controlled domestic distribution until 1953. Domestic price controls were in place until 1965, with only two increases in those years. For a discussion of the oil industry under colonial rule and after independence, see Hunter, "Indonesian Oil Industry", pp. 254–314.

[2] The "let alone" agreements expired at the end of 1951 for Stanvac, at the end of 1953 for Caltex, and at the end of 1955 for BPM. In 1955 BPM changed its operating name to Shell Petroleum. Ibid., pp. 260–1.

[3] Lindblad, *Bridges to New Business*, p. 161.

[4] Isa led Perusahan Minyak Republik Indonesia (Republic of Indonesia Oil Company) in the interior of South Sumatra after 1946. High Commissioner Indonesia to Minister for Foreign Affairs, 24 Oct. 1951, in Archief Hoge Commissariaat Indonesie, 1949–1961, Inv. no. 320, NADH.

Buruh Minyak (Perbum), replacing the word *pegawai* (employee) with the word *buruh* (worker) in order to identify more closely with ordinary workers. Branches were established at BPM installations in Plaju, Jambi and Prabumulih in South Sumatra. In Yogyakarta, the Serikat Buruh Minyak (Oil Workers Union, Serbumi) was formed in June 1946, and in Balikpapan the Serikat Kaum Buruh Minyak (Oil Workers Union, SKBM) was formed in July 1946. In September 1947 J.A. Datuk Raja Bangun, a BPM office worker in Dutch-occupied Jakarta as well as a member of the PSI, formed a union for BPM workers in Jakarta, also called Persatuan Buruh Minyak. Stanvac workers in Dutch-occupied Surabaya formed the Serikat Buruh Minyak Seluruh Indonesia (All Indonesia Oil Workers Union, Serbumusi) at the end of 1949.[5]

Following the end of colonial rule in December 1949 many site-specific unions merged into larger regional organisations, which in turn sought national links in order to strengthen their bargaining power with the oil companies. In June 1950, for example, a number of unions for workers in the Aceh oilfields and the BPM and Petroleum Board distribution centres in Medan amalgamated to form the Serikat Buruh Minyak Sumatra Utara (North Sumatra Oil Workers Union). In the same month unions at BPM installations in East Java united to form the Surabaya-based Serikat Buruh Tambang Minyak Indonesia (Union for Indonesian Oil Workers, SBTMI).[6] By the middle of 1950 the largest unions were the Palembang-based Perbum, the Jakarta-based Persatuan Buruh Minyak (Association of Oil Workers, PBM), the Surabaya-based SBTMI and the SKBM in Kalimantan.[7]

A revived Sobsi sought a foothold in the strategically important oil industry. In November 1950 it organized a conference of seven BPM unions that agreed to form the Kesatuan Actie Buruh Minyak

[5] A brief outline of the formation of oil industry unions can be found in *Gerakan Perbum dan Aspek-Aspeknya dalam Industri Minyak di Indonesia* (Jakarta: Perusahaan Pertambangan Minyak dan Gas Bumi Negara, 1972), pp. 34–7. See also "Proces Perkembangan Organisasi2 Buruh dalam lingkungan Minjak di Indonesia dalam djangka waktu 1945–1954", in *Tindjauan Masa'alah Perburuhan*, Mar. 1955, pp. 27–31; and Bambang Sulistyo, "Menuju Nasionalisasi Pertambangan Minyak di Balikpapan (1930–1965)", in *Dekolonisasi*, ed. Erman and Saptari, pp. 142–75.

[6] *Nieuwsblad voor Sumatra*, 15 June 1950.

[7] *Locomotief*, 20 June 1950.

(Oil Workers United Action, KABM) in order to force a reluctant BPM to negotiate a collective agreement. Many of its demands were similar to those of all unions, including an end to colonial-era regulations that discriminated on the grounds of race, the reclassification of temporary day-wage workers to monthly paid workers, equal pay for workers employed by contractors, overtime regulations consistent with the 1948 labour laws and release of union officials on full pay. Additional demands reflected union views of what the profitable oil industry could afford, including a minimum wage of Rp.225 a month, plus allowances and an in-kind package, and three months' long service leave after three years' service.[8] When negotiations stalled, the KABM announced that it would organise a strike at all BPM sites from mid-February 1951. The plan was abandoned after the imposition of the strike ban.

This was only a temporary setback in Sobsi's efforts to bring oil workers unions into its fold. At the end of July 1951 the KABM was transformed into a federation.[9] The new federated union adopted the name Perbum, probably in recognition that the Palembang-based union of the same name was by far the largest of the unions, and announced that it would affiliate with Sobsi.[10] The formation of the new Perbum, based in Sobsi's Jakarta headquarters, brought ideological divisions within oil industry unions into the open. In many branches of the old Palembang-based Perbum, groups broke away to form independent unions or to join unions not affiliated to Sobsi. Some spoke of a "coup d'etat" or a "cold war" between pro- and anti-Sobsi leaders.[11] Baay Salim and Dr A.K. Gani, old Perbum leaders and prominent members of the PNI in South Sumatra, responded by establishing the Gerakan Perbum Merdeka (Independent Perbum Movement). The Jakarta-based Persatuan Buruh Minyak,

[8] *Pedoman*, 23 Jan. 1951. The "Tuntutan Umum" (general demands) are published as appendix 2, in *Gerakan Perbum dan Aspek-Aspeknya dalam Industri Minyak di Indonesia*, pp. 67–76.

[9] "Proces Perkembangan Organisasi2 Buruh dalam lingkungan Minjak di Indonesia dalam djangka waktu 1945–1954", p. 28.

[10] *Java Bode*, 21 July 1951. There is a detailed report on the congress in British Ambassador to Foreign Secretary, Jakarta, 2 Aug. 1951, Lab 13/589, NAB. See also *Gerakan Perbum dan Aspek-Aspeknya dalam Industri Minyak di Indonesia*, pp. 39–40.

[11] See *Merdeka*, 6 and 22 Aug. 1951.

which had already distanced itself from the KABM because of the latter's relationship with Sobsi, announced that it would negotiate a separate agreement with BPM.[12]

The arrest of thousands of union and political activists by the Sukiman government in August 1951 was the catalyst for a challenge to Sobsi's influence in oil industry unions. On 18 August, just two days after the mass arrests began, the SBTMI withdrew from Perbum, and on 25 August the PBM also withdrew, stating that it was now clear that the fusion of oil industry unions into Perbum had been used to achieve the aims of one political party.[13] At the same time the breakaway Gerakan Perbum Merdeka in Sumatra transformed itself into a new anti-Communist union, the Organisasi Buruh Minyak (Oil Workers Organisation, OBM), in order to challenge Perbum in Sumatra.[14]

At the beginning of October, the PBM and OBM organised a conference from which emerged the Federasi Buruh Minyak Indonesia (Federation of Indonesian Oil Workers, FBMI). The chairman of the Persatuan Buruh Minyak, Bangun, stated that they had formed a separate federation for oil industry workers "because Perbum decided to join Sobsi, which is known to be a sub-unit of the PKI. We are not involved in politics and are solely concerned with improving the lives of workers."[15] Nine unions were affiliated with the FBMI. Three were based in Java—the Jakarta-based PBM and the two Surabaya-based unions SBTMI and Serbumusi—and five in the Sumatra and Kalimantan oilfields and refineries, the largest of

[12] *Nieuwsblad voor Sumatra*, 15 Jan. 1951; *Nieuwe Courant*, 25 Jan. 1951. Adnan Kapau Gani had been a member of Gerindo in the late 1930s and was the founder of the PNI in Sumatra after the declaration of independence. In November 1946 he became the minister of prosperity in the republic government. See biographical entry in Cribb and Kahin, *Historical Dictionary of Indonesia*, p. 155. Baay Salim was deputy mayor of Palembang after the declaration of independence and during the Dutch military action took on leadership of Perbum. He died in Palembang in November 1951, shortly after the formation of the FBMI. See *Java Bode*, 12 Nov. 1951.

[13] Quoted in *Gerakan Perbum dan Aspek-Aspeknya dalam Industri Minyak di Indonesia*, p. 41. See also *Nieuwe Courant*, 24 Aug. 1951.

[14] *Merdeka*, 31 Aug. 1951; British Ambassador to Foreign Secretary, Jakarta, 6 Sept. 1951, FO 371/92516, NAB.

[15] Quoted in *Java Bode*, 17 Oct. 1951. The conference is discussed in *Antara*, 8 and 12 Oct. 1951, in *Situasi Perburuhan*, Oct./Nov. 1951, pp. 65–6.

which was the SKBM in Balikpapan.[16] Bangun became the chairman of the new federation.

Oil companies were enthusiastic about the formation of the FBMI, arguing that its inaugural congress "may be considered as a great success of the anti-Sobsi leaders…. It may safely be predicted that the Sobsi influence under the oil workers will be diminishing."[17] Their hope that life would be much easier with the FBMI was overly optimistic. While the leaders of FBMI unions were staunchly anti-Communist, they were just as determined to end colonial-era wages and conditions and were also prepared to use industrial pressure to achieve their goals. Indeed, the FBMI work programme included all of the demands that the KABM had made on BPM in November 1950.

There was strong competition between Perbum and FBMI unions for the allegiance of workers. Perbum's strength was in Sumatra and Java.[18] BPM reported that of its 23,655 Indonesian workers in mid-1952, two-thirds were members of Perbum.[19] A British report at the same time stated that half of Stanvac's 12,000 workers were members of Perbum.[20] A report by the US labour attaché in 1955 on the Caltex oilfields in Pekanbaru, Central Sumatra, showed the relative strength of unions at that site. Caltex directly employed about 3,600 Indonesians, and thousands more through labour contractors. There were three unions at the site. The Persatuan Buruh Minyak Caltex (Association of Caltex Oil Workers), an independent union of Caltex employees, had about 200 members, mostly Batak clerical workers. The SBII had between 200 and 250 members, of whom about 70 per cent were labourers. The rest of the workforce supported Perbum because, in the words of the labour attaché, "the labourers are convinced that Perbum can and does win for them

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[16] Kementerian Perburuhan RI, "Daftar Organisasi Serikat Buruh di Indonesia", 31 Aug. 1952, p. 12, in Arsip Sek Neg Kab PM Tahun 1950–1959, Inv. no. 3067, ANRI. Reports on the conference were published in *Java Bode*, 12 and 17 Oct. 1951.

[17] High Commissioner to Minister for Foreign Affairs, 24 Oct. 1951, in Archief Hoge Commissariaat Indonesie, 1949–1961, Inv. no. 320, NADH.

[18] *Gerakan Perbum dan Aspek-Aspeknya dalam Industri Minyak di Indonesia*, Appendix 4/1, p. 78.

[19] Ibid., pp. 42–3.

[20] R. Brash, "Labour Organization among the Workers of the BPM", Jakarta, 23 Aug. 1952, in Lab 13/589, NAB.

improved wages and conditions".[21] The chairman of Perbum Pekanbaru, Nur Raaf, was also the chairman of the Pekanbaru branch of Sobsi and a PKI member of the Pekanbaru city council.

The FBMI's strength was in Kalimantan, where it had the allegiance of almost half of the workforce. It was also the dominant union in the BPM central office in Jakarta, with 400 of the 500 workers, and in the BPM Medan office, where all 475 workers were members of affiliated unions.[22] A major problem for the FBMI in trying to combat Perbum was that member unions competed against each other with none large enough to be a serious challenger to Perbum. They were reluctant to fund the federation, preferring to support their own organisations, with the result that the FBMI had little money and few staff. In September 1953 FBMI members recognised that the federation model had failed and that their individual unions were losing the battle against Perbum. They dissolved the federation and amalgamated into a unitary union, also named Serikat Kaum Buruh Minyak (Oil Workers Union, SKBM). The new union affiliated with the PSI-connected KBSI. Over the next few years, however, it made little headway against the dominance of Perbum and may have lost some ground to the PNI's KBKI and Masyumi's SBII.[23]

The initial activism of oil industry workers in 1950 was halted by the imposition of the emergency law. However, spontaneous stoppages by workers and union-organised industrial action continued, particularly in the production areas of Sumatra and Kalimantan. Workers there were better paid than industrial workers elsewhere, including those in the distribution side of the industry, but because many of them lived in isolated and racially segregated company facilities they were very conscious of the huge disparity between their wages and conditions and those of Europeans working alongside them. They were particularly resentful that Europeans not only had

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[21] Amembassy Jakarta, Despatch no. 105, 2 June 1955, and Despatch no. 286, 14 Nov. 1955, in Department of State, Indonesian Labor Reports 1955–1956, id 1741008, NARA.

[22] *Gerakan Perbum dan Aspek-Aspeknya dalam Industri Minyak di Indonesia*, pp. 42–3.

[23] "Proces Perkembangan Organisasi2 Buruh dalam lingkungan Minjak di Indonesia dalam djangka waktu 1945–1954", p. 30; *Gerakan Perbum dan Aspek-Aspeknya dalam Industri Minyak di Indonesia*, p. 49.

higher wages, allowances, bonuses and pensions, as well as better housing and recreational facilities, but also had generous long service leave, including travel costs to Europe for their families. In December 1955 Stanvac tried to improve its image by sponsoring a group of Indonesian journalists to its Pekanbaru operations to see at first hand what it believed were the good conditions of its Indonesian workers. The PSI-leaning newspaper *Pedoman*, while acknowledging that wages were higher than those paid by the government, reported that Stanvac management remained oblivious to ongoing race discrimination: "our people, especially the young ones with a strong nationalistic bent in their character, can scarcely bear the discrimination in compensation —and it follows, therefore, the difference in standard of living— between the coloured and the whites employed by the company."[24]

Both companies and unions pushed the dispute resolution system to its limits, referring decisions by regional dispute resolution committees they did not like to the P4P in Jakarta and challenging adverse P4P decisions. Unions applied industrial pressure, sent delegations to argue their cases with ministers of labour and prime ministers, and applied political pressure through Sobsi and sympathetic members of parliament. Companies pressured the Netherlands high commission and the British and United States embassies to advocate on their behalf to politicians and bureaucrats. They painted a sorry picture of labour relations and frequently wrote to cabinet ministers warning that higher labour costs forced on them by militant unions would make the industry unviable. They accused the P4P of buckling under union pressure, particularly from the Communist-led Perbum. Unions argued that foreign-owned companies could well afford to improve wages and conditions because both productivity and profits had increased since independence. Companies disputed this, but it is noteworthy that in 1955, when the P4P was considering a union claim for an annual bonus, the British labour attaché for Southeast Asia reported that "companies had decided not to raise the question of their ability to pay as this would involve the production of their books".[25]

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[24] The translation of the article is contained in Amembassy Jakarta, Despatch no. 434, 18 Jan. 1956, in Department of State, Indonesian Labor Reports 1955–1956, NARA.

[25] Cowan to Minister of Labour, Jakarta, 1 Feb. 1955, FO 371/117281, NAB.

Unions were well aware that the importance of the Sumatra and Kalimantan oilfields to the Indonesian economy gave them considerable leverage in dealing with both companies and government. Branch officials were also well aware that the refineries were vulnerable to sudden stoppages in key areas. Most disputes were over local issues, leading to what companies called "wildcat" stoppages by small groups of workers in critical parts of their operations. More often than not these actions were effective in forcing companies to address grievances or in forcing the local Labour Office to intervene.

Unions also took advantage of the way in which the distribution side of the industry was organised. BPM, Stanvac and Caltex each operated one seven-hour daily shift, but in order to unload ships and load tankers at terminals and distribute petrol in the major cities of Jakarta and Surabaya they required workers to work two hours overtime each day. It was cheaper for them to pay overtime than to employ an additional shift of workers. This opened the way for unions to use overtime as a legal industrial weapon, because under the 1948 labour laws work over seven hours a day was voluntary. Perbum regularly imposed overtime bans at the Tanjung Priok and Surabaya oil terminals in order to pressure companies to meet its demands. The Sobsi-affiliated motor transport workers union, whose members were BPM tanker drivers, and the KBKI-affiliated drivers union for the Stanvac distribution company often joined Perbum's industrial action or imposed their own overtime bans in pursuit of industrial claims. With the demand for petroleum products increasing rapidly, especially in Jakarta, in the middle of 1956 BPM indicated that it planned to introduce three seven-hour shifts each day and end overtime. It knew, though, that this would be vigorously opposed by Perbum and would not be popular among workers who, while prepared to use it as an industrial weapon, nevertheless valued the extra two hours of overtime.[26]

The three foreign-owned companies reluctantly entered into collective agreements with union central executives after lengthy negotiations and the threat of industrial action. After steadfastly confronting unions for three years, in January 1953 Stanvac signed its first collective agreement with five unions: Perbum, the SKBM,

[26] Amembassy Jakarta, Despatch no. 22, 9 June 1956, in Department of State, Indonesian Labor Reports 1955–1956, NARA.

the Serikat Buruh Minyak Stanvac (Stanvac Oil Workers Union, Sebumi), the KBKI and the SBTMI. The agreement improved wages and conditions and strengthened union access to workers. Stanvac undertook to deduct union fees from workers' wages and transmit them to union central executives and to provide union branches with office space and noticeboards at all of its sites. Unions were also allowed to use company buildings for meetings and to enter workplaces to support workers in dispute with the company.[27]

Stanvac was the last of the three foreign-owned oil companies to enter into a collective agreement with unions, and it is highly likely that the clauses providing unions with better access to workers and direct deduction of membership fees were also included in agreements with BPM and Caltex. Direct deduction of membership fees was a major factor in the stronger financial position of oil industry unions than unions in most other industries. Perbum, for example, received fees from 38 per cent of its nominal membership in 1956.[28] By sending fees directly to central offices rather than to branch officials, Stanvac and the other companies probably believed that it was preferable to deal with five central executives than a multitude of branches. If this was their objective, they were less than successful, as branch officials in oil industry unions were just as assertive as those in other industries in representing individual grievances and mounting industrial action over local issues.

Regulations on long service leave were symbols of the continuing race discrimination in the oil industry that unions were determined to eradicate. European employees were entitled to six months' long service leave after four years' service, together with travel costs to Europe for themselves and their families. Unions demanded parity for Indonesians, arguing that the large number of Javanese working in Sumatra or Kalimantan were just as entitled to home leave as Europeans and that the industry was profitable enough to be able to afford this. When companies refused to make any concessions, Perbum declared a dispute with BPM and forced the issue to the P4P as a test case for the industry. It argued that the 1948 labour laws gave Indonesian workers the right to long service leave in companies

[27] The collective agreement with Stanvac, dated 31 January 1953, can be found in Arsip Koti, Inv. no. 649, ANRI.

[28] Sobsi, "Mengorganisasi Masaalah Keuangan Serikat Buruh Setjara Lebih Tjepat", Jakarta, 5 Sept. 1957, Arsip Sobsi, Inv. no. 20, ANRI. See also *Mengatasi Keuangan Dalam Serikat-Buruh*, p. 16.

that were financially strong. The P4P accepted Perbum's argument, ordering BPM to provide Indonesian workers with 14 days' annual leave and three months' additional leave on full pay after six years of continuous service. The company was also required to meet the transport costs for workers to return home.[29] BPM protested, but the decision was confirmed.

The P4P decision alarmed the industry. In a strongly worded letter, Stanvac argued that it was a precedent with serious consequences for an Indonesian oil industry that had to compete against Middle East producers with lower costs.[30] A few weeks later it urged Netherlands, United States and British envoys in Jakarta to make strong diplomatic protests, arguing that this was just one of a series of decisions in recent times that had created difficulties for oil companies in a competitive international market.[31] Stanvac and Caltex could not hope to evade the implications of this decision, but it took another year of protests and strikes before the P4P finally imposed the same requirement on them.[32]

The oil companies continued their campaign against what they considered irresponsible union demands and the P4P's acquiescence to them. They had some success in 1956 after BPM refused demands for improvements that would have brought the leave regulations for Indonesians more into line with those for Europeans. Unions wanted workers to be entitled to 55 days' leave after four years' continuous service, together with an allowance for each child under 21 years of age and an additional cash payment of Rp.2,000. The issue again went to the P4P for a binding decision. On 14 August the P4P ruled that BPM's Indonesian workers should be entitled to 45 days' leave after four years' continuous service, 55 days after five years, and 65 days after six years, with supplementary allowances for children under 18.

Perbum and the smaller union Serikat Buruh Minyak Merdeka rejected the decision because it still allowed BPM to discriminate on

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[29] *Trompet Masjarakat*, 10 July 1953.

[30] General representative of N.V. Stanvac to P4P, 9 July 1953, enclosed in Secret Report no. 22, High Commissioner Indonesia to Minister for Foreign Affairs, 25 July 1953, Archief Ministerie van Buitenlands Zaken, 1945–1954, Inv. no. 12122, NADH.

[31] Memorandum by Stanvac, 22 July 1953, enclosed in Archief Hoge Commissariaat Indonesia, 1949–1961, Inv. no. 320, NADH.

[32] *Harian Rakjat*, 25 Mar., 7 and 23 Aug., 9 and 14 Sept., 28 Oct. 1954.

racial grounds. They began overtime bans in September, followed by a nationwide strike at BPM facilities in October.[33] The impact was immediate, with three-quarters of the workforce joining the strike. Shell/BPM service stations in Jakarta and other major cities quickly ran out of fuel, and long queues at Caltex stations exhausted its supplies. BPM oilfields and refineries ceased production, 20 BPM tankers were stranded unable to load or unload, and many foreign airlines were forced to refuel in Singapore rather than Jakarta. With commerce and communications coming to a standstill, unions found that they had overplayed their hand. The government ordered the arrest of Perbum central and branch leaders for organising an illegal strike. After four days the strike was called off. The P4P refused to change its decision despite further approaches by Perbum to the minister of labour.[34]

The oil companies paid higher Lebaran allowances than most industries, but they varied from company to company. Annual disputes had to be resolved by the P4P. In 1952 the regional dispute resolution committee (P4D) intervened in a dispute between Perbum and Stanvac in order to avert a threatened strike, reminding the company that the government considered Lebaran payments as a social duty of employers and recommending one month's gross wages to a maximum of Rp.750. Perbum accepted the recommendation, but Stanvac did not. The P4P then made the P4D recommendation binding.[35] A uniform Lebaran payment reduced the scope for conflict, but each year unions campaigned for higher rates and for their extension to casual workers. Companies continued to resist until overtime bans or strikes forced the P4P to intervene. The P4P imposed steady increases in the rates and by 1956 extended the allowance to all workers on the grounds that the industry could well afford it.[36]

Unions met stronger resistance to their demands for an annual bonus. The oil companies acknowledged that an annual bonus had

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[33] The Serikat Buruh Minyak Merdeka was a breakaway union of SBIM workers at Tanjung Priok. At the beginning of 1954 it had about 600 members. "Proces Perkembangan Organisasi2 Buruh dalam lingkungan Minjak di Indonesia dalam djangka waktu 1945–1954", p. 30.

[34] *Harian Rakjat*, 24 Oct. 1956; *Merdeka*, 18 and 19 Oct. 1956. The course of the overtime bans and strike was covered in detail in the Dutch-language press. See, for example, *Java Bode*, 15, 18 and 20 Oct. 1956; *Nieuwsgier*, 19 and 20 Oct. 1956. See also *Harian Rakjat*, 8, 17,18, 19 and 25 Oct. 1956.

[35] *Pedoman*, 30 May, 3 June, 4 July 1952; *Trompet Masjarakat*, 4 June 1952.

[36] See *Harian Rakjat*, 31 Mar. 1956, 16 Apr. 1956, 1 May 1957.

become common practice in most industries but argued that the oil industry did not pay bonuses to any of its workers, Indonesian or European, instead paying higher than average wages. Unions acknowledged the higher wages but argued that the profitability of the industry enabled it also to pay bonuses. They quoted statements by the minister of labour, Tedjasukmana, and the P4P that bonuses were in effect a profit-sharing mechanism that recognised workers' contribution.

In January 1952 Perbum demanded that oil companies pay a bonus of two months' wages to all workers from their 1951 profits, arguing that both productivity and profitability had increased.[37] Discussions with the oil companies over the next few months were fruitless, but when the Jakarta branch took matters into its own hands by threatening a strike the P4P intervened.[38] Perbum lost this battle but continued its campaign. In April 1955, despite mediation by the P4D, Perbum called a two-day strike in BPM, Stanvac and Caltex facilities in Sumatra over its demand for a two-month bonus for the previous year. It argued that since 1950 BPM production had increased 45 per cent and Stanvac production 84 per cent, at the same time as BPM had reduced its workforce by 6,629 and Stanvac by 1,003. Workers, it stated, were only demanding a fair share of increased productivity and profitability. The P4P reiterated its view that wages in the oil industry were not based on the addition of an annual bonus. However, in a move that once again reflected its sensitivity to industrial action on the eve of the September national elections, the Indonesian cabinet overruled the P4P. Companies were instructed to make a token payment of Rp.100 to each worker.[39] While Perbum was critical of the amount, it was a significant breakthrough. The principle of profit sharing had been established and

[37] *Merdeka*, 27 Jan. 1955.

[38] Secretary-General Daily Executive Perbum Jakarta Raya to Chairman, P4Pusat, 6 Sept. 1952, in "Laporan Tengah Bulan dari Tanggal 22 s/d 4 October 1952, mengenai Pemogokan2, tuntutan2, perselisihan2 dan pernjataan dari Serikat2 Buruh di Indonesia", Djawatan Kepolisian Negera, Bagian Pengawasan Keselamatan Negara, Jakarta, 11 Oct. 1952, p. 5, in Arsip Sek Neg Kab PM Tahun 1950–1959, Inv. no. 3062, ANRI.

[39] See *Java Bode*, 22 Feb., 9 Apr., 12 Apr. 1955; *Harian Rakjat*, 22 Feb. 1955; *Merdeka*, 27 Jan. 1955; *Nieuwsblad voor Sumatra*, 24 Feb., 1 Apr. 1955. The cabinet intervention was reported in Amembassy Jakarta, Despatch no. 13, 7 July 1955, in Department of State, Indonesian Labor Reports 1955–1956, NARA.

could be built on in future years. In 1956 further industrial campaigns forced the annual bonus to be increased to one month's gross wage with a minimum of Rp.250 and a maximum of Rp.1,250.[40]

Unions' distrust of the oil companies was increased by the companies' strategy of circumventing labour laws, collective agreements and decisions of the P4P by outsourcing work and replacing day-wage workers with cheaper labour recruited by contractors. Stanvac in particular continued to take an aggressive line against unions. In November 1952 it unilaterally ceased the payment of travel costs for the annual holidays of Indonesian workers in its Sumatran oilfields and refineries. For Javanese who wanted to return to their home villages or cities the impact was considerable. When Perbum protested and threatened industrial action, Stanvac was reported to have replied, "We will take the risk."[41] The P4P eventually ordered Stanvac to reinstate the travel allowance. In May 1955 the company again tried to cut costs by deciding to reduce travel costs for long service leave by the amount it had paid already for annual leave. Union action forced a rethink.[42] In June 1957 Stanvac was forced by Perbum to abandon a unilateral attempt to change the workday from seven to eight hours at Sungai Gerong.[43]

Perbum branches, like those of other nationwide unions, operated with a great deal of independence. Branch officials were in constant negotiations with managers over local issues and the grievances of individual workers. The determination of Perbum branches to address the immediate needs of workers as well as the bigger industrial issues was a key reason for the union's success. No other union had local leaders with the same determination to prosecute local issues. It was uncharted territory for European managers who found it difficult to adjust to union advocacy backed by threats of industrial action. The majority of disputes were resolved with the help of the local Labour Office or the intervention of a regional dispute resolution committee, but published decisions of the P4P indicate that disputes in the oil industry made up a significant part of its work, eclipsed only by disputes in the plantation and maritime industries.

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[40] Report on the third congress of Perbum at Semarang, 10–15 Sept. 1956, in *Bendera Buruh*, 26 Sept. 1956, p. 4.
[41] *Harian Rakjat*, 14 Nov. 1952.
[42] *Nieuwsgier*, 17 May 1955.
[43] *Harian Rakjat*, 24 June 1957.

Some of the local issues escalated to the P4P in Jakarta were minor issues that managements more sensitive to the needs of their Indonesian workers should have been able to resolve without official intervention. One example is a dispute over the financing of bicycles for workers in BPM distribution centres in Java towns. These workers were paid considerably less than workers on the oilfields or in the refineries and found it hard to save to buy a bicycle needed to get to and from work. In 1952 the Jakarta branch of Perbum, having failed in lengthy negotiations with local BPM managers, forced the issue to the P4P, which ruled that the company must finance workers' purchase of bicycles, with the money repaid interest free over six months. A year later the same dispute arose between the Wonokromo, East Java, branch of Perbum and BPM, with the P4P making the same ruling.[44]

Demonstrations, sit-down stoppages and walk-outs were important industrial weapons and were often the result of workers taking matters into their own hands over what they considered unjust treatment, arbitrary changes to work practices or managers refusing to implement collective agreements in full. In June 1951, for example, BPM workers at Balikpapan, Kalimantan, demonstrated in front of the company office because it had not paid cost-of-living allowances promised six months earlier. During the demonstration some windows were broken and goods stolen and a Dutch employee forced to sign a letter promising that the allowance would be paid a few days later on the normal payday. When the promised allowance was not forthcoming, workers held a sit-down strike. The company responded by summoning the army, which arrested 21 workers and ordered normal work to resume. The workers' action was as much a surprise to their union, the SKBM, as it was to the company.[45]

In May 1955 workers' resistance to arbitrary action by Stanvac management resulted in rolling strikes at the Sungai Gerong refinery at Palembang. The catalyst was the company's attempt to transfer 13 skilled tradesmen to a different section of the refinery and replace them with workers from its unskilled labour pool. The skilled tradesmen refused to move and after being issued with warning letters

[44] *Merdeka*, 8 Jan. 1955.
[45] Governor of Kalimantan to Minister of Internal Affairs, 19 June 1951, in Arsip Sek Neg Kab PM, Inv. no. 3046, ANRI.

were sacked. They would have realised that Stanvac's action was a threat to skilled workers throughout the plant and responded by organising what some managers described as "guerrilla tactics" designed to take advantage of the integrated nature of the refinery. Each day for over a month, workers in different areas of the refinery walked out, eventually bringing production to a halt. Some 2,000 workers were involved, each striking for only a few days, thereby maximising the impact on the company while minimising the impact on their income.

This industrial action was not organised by Perbum, but when branch officials tried to discuss the issue with Stanvac managers they were rebuffed on the grounds that workplace change was a management prerogative. The spontaneous rolling strike was ended only after the governor of South Sumatra met with union officials and undertook to persuade Stanvac to reinstate the 13 tradesmen if they promised to persuade workers to return to work. Perbum later threatened further action unless Stanvac paid the 13 workers for the days they had been sacked. This time Stanvac quickly conceded.[46]

Perbum was an assertive union that set the industrial agenda for all unions in the oil industry. There were instances where other unions continued to work through a Perbum-led strike, but more often than not they cooperated with Perbum in industrial action, well aware that to oppose it would be to risk weakening workers' support and that success would also flow to their members. While sometimes critical of Perbum's tactics, other unions had no disagreement with its industrial agenda. Their opposition to Perbum was because it was a Communist-led union tied to the broader strategy of Sobsi and the PKI.

In September 1956 Perbum held its second congress in Semarang, Central Java. The central executive reminded delegates of the union's significant achievements since its formation in 1952. These included wage rises of between 40 per cent and 173 per cent, a Lebaran allowance of one month's gross wages, an annual bonus, free medicines for workers and their families, a death benefits fund, and improvements to long service and annual leave. The central executive regretted, though, that this had come at a cost, with over 340 union officials arrested and prosecuted and some jailed.

Perbum leaders were proud of their achievements. Indeed, because of Perbum's assertiveness workers in the oil industry were

[46] The dispute is discussed in detail in *Harian Rakjat*, 5 and 13 June 1955.

among the very few workers whose wages at least kept pace with inflation and in many cases exceeded it. Nevertheless, Perbum leaders were concerned that they were yet to convert workers into committed members. In his preparatory advice to the congress, Sobsi and PKI leader Tjugito focused on the PKI's renewed emphasis on the education of workers. He argued that Perbum's fundamental problem was an education programme that was neither systematic nor linked to its strategy and was not well led at the local level. He urged the union to put more resources into educating members, through literacy programmes and courses on the relationship between labour unions and work. He also urged it to deepen members' relationship with the union by creating sport and cultural programmes. None of this, he argued, detracted from Perbum continuing to fight for improved wages and conditions. Indeed, industrial action combined with educational programmes was the only way to deepen workers' commitment to the union.[47]

The Textile Industry

Most private sector unions lambasted the colonial mentality of company managers and their efforts to maintain colonial-era methods of labour control and profits at workers' expense. The rhetoric of textile workers unions was more nuanced because the industry had few foreign-owned companies. They had a difficult task of balancing demands for better wages and improved conditions with protecting jobs in national companies at a time when cheaper imported textiles were impacting on the industry. Multiple unions competed for the support of textile workers but cooperated in political campaigns aimed at persuading the government to support the domestic industry. They demanded that the government provide cheap credit, supply the foreign exchange needed to import raw cotton and new machinery, ensure a reliable supply of electricity, and impose quotas or higher tariffs on imported cotton goods.

The Indonesian textile industry was a major employer. It was concentrated in Majalaya and Bandung, West Java, and in Ceribon, Central Java, but there were also factories in Tegal, Solo, Surabaya and North Sumatra. In 1951 there were 2,500 firms in the industry, of which 2,350 used handlooms. The power loom sector included

[47] Tjugito, "Memperkaja kegiatan Perbum bi Basis2", *Bendera Buruh*, 5 Sept. 1956, p. 4.

a small number of large foreign-owned companies, but most of the larger companies were owned by Chinese-Indonesians or Arab-Indonesians. About three-quarters of the handloom firms were owned by Indonesians, most of which were small family operations.[48] There are no reliable estimates of the number of workers in the industry. Based on replies to a survey in 1956, which it acknowledged did not cover all companies, the Bureau of Statistics reported that there were 429 large and 3,148 medium-sized companies employing 123,721 people, of whom about half were female.[49]

During the four years of conflict between the republic and the Dutch, four unions were formed for textile workers. In republic territory workers were members of the Perserikatan Buruh Textiel Seluruh Indonesia (All Indonesia Association of Textile Workers, Perbutsi). In Dutch-occupied territory there were three separate unions: the Serikat Buruh Textiel Indonesia (Union of Indonesian Textile Workers) in East Java, the Serikat Buruh Tenun (Union of Textile Workers) in Central Java, and Serbuti in West Java. After a three-week strike, in March 1950 the employers association, Pretex, signed the first collective agreement in the textile industry with the Bandung-based Serbuti. Two weeks after concluding the agreement Serbuti amalgamated with the Solo-based Perbutsi, the Surabaya-based Serikat Buruh Textiel Indonesia and the Semarang-based Serikat Buruh Tenun to form the Serikat Buruh Textiel (Textile Workers Union, SBT). The new union established its headquarters in Bandung, the centre of the Indonesian textile industry, and joined Sobsi.[50]

Although half of the workers in the textile industry were female, there was only one woman on the SBT central executive. Little is known about Siti Basuki, but she must have been a strong voice within the executive because she was entrusted with leading negotiations with Pretex on renewing the collective agreement that expired at the end of the year.[51] By November agreement had been reached on issues such as standardised wages, working hours, notice periods

[48] Lindblad, *Bridges to New Business*, pp. 84–5. For a discussion of the textile industry in the 1950s and 1960s, see Ingrid Palmer and Lance Castles, "The Textile Industry", in *The Economy of Indonesia: Selected Writings*, ed. Bruce Glassburner (Ithaca: Cornell University Press, 1971), pp. 315–36.
[49] *Statistical Pocketbook of Indonesia*, 1958, pp. 92–6.
[50] *Antara*, 14 Mar. 1951, in *Situasi Perburuhan*, Mar. 1951, p. 16; *Tindjauan Masa'alah Perburuhan*, Oct. 1955, pp. 15–6.
[51] *Pikiran Rakjat*, 14 Feb. 1951.

and annual holidays, but not on issues such as an annual bonus, an improved minimum wage and a guaranteed wage increase of 10 per cent every six months, considered important by unions because of the high inflation.

Negotiations were brought to a head in early 1951 by the SBT making a new demand for the immediate payment of a bonus from 1950 profits as well as an advance bonus from 1951 profits for all workers, irrespective of whether they were permanent, day-wage or piecework workers. In late January workers at four Ceribon factories went on strike in support of these demands. This was followed on 3 February with a two-hour sit-down strike at 225 Pretex factories in and around Bandung. On 7 February Pretex responded with a lockout at all Bandung factories, arguing that companies could not afford to pay wages without a guarantee of no further stoppages.

The government ban on strikes and lockouts imposed on 13 February forced the two sides to negotiate. Pretex demanded compensation from the SBT for lost income, and the union demanded that workers be paid for the five days between the imposition of the lockout and the introduction of the government ban before it would agree to a return to work. It argued that workers should be paid because they had been willing to work, having turned up each day before returning home because factory gates were locked. Eventually the SBT and Pretex accepted a compromise put forward by the Bandung Labour Office. They agreed on the basic principles of a bonus for 1950 and to negotiate the timing and amount of a bonus for 1951. The SBT agreed on a return to work, and Pretex agreed to pay Rp.120,000 to 20,000 workers from its social fund in part compensation for lost wages. On 23 February the textile factories reopened.[52]

Despite the ongoing industrial dispute, in January 1951 the Bandung branch of the SBT supported a Pretex proposal to create a company-managed health fund for textile workers. The Fonds Sakit Pretex was the first comprehensive workplace-based health fund of its kind in Indonesia, providing free healthcare for members and subsidised healthcare for their families at home, at Pretex polyclinics or in hospital. Members unable to work because of illness would receive 80 per cent of their wages for the first month, 60 per cent for the

[52] *Situasi Perburuhan*, Feb. 1951, p. 9; *Pedoman*, 14, 19, 23 Feb. 1951; *Pikiran Rakjat*, 8 Feb. 1951; *Vrije Pers*, 15 Feb. 1951; *Algemeen Indisch Dagblad*, 20 Feb. 1951.

second month, and 40 per cent for the third month. Workers who opted to join the fund paid a monthly fee of 1 per cent of gross wages, which was matched by an employer contribution of 2.5 per cent.

The fund was inaugurated in early March and initially employed three doctors, six nurses and three nurse assistants in three polyclinics in Bandung.[53] While the SBT supported the fund's creation, it had significant reservations, the major one being the requirement for workers to contribute from their wages. Like all Sobsi unions, the SBT believed that the provision of healthcare and sickness benefits was the sole responsibility of employers. It also objected to workers contributing to a fund controlled by employers. For the moment, though, it agreed to promote the fund to its members.[54]

Buoyed by its successful industrial campaign against Pretex, in April 1951 the inaugural SBT congress reaffirmed the union's hope of persuading smaller unions to amalgamate with it in order to create a single industry-wide union. One month later the strategy was in tatters with the formation of a rival union in Bandung, the Serikat Buruh Textiel Baru (New Textile Workers Union, SBT Baru). The reasons for the split were both personal and ideological, as was so often the case in the labour movement. Many executive members of the new union were members of the Partai Buruh, which was trying to combat the growth of Sobsi. A year later the SBT Baru fused with the Persatuan Buruh Tenan, the Padang-based union for Sumatra textile workers, to form the Serikat Buruh Textiel Seluruh Indonesia (All Indonesia Textile Workers Union, Serbutsi). Headquartered in Bandung, Serbutsi joined the Partai Buruh-connected labour union federation Hissbi.[55]

Pretex management of the health fund rankled with Serbutsi as well as the SBT, but both unions realised that it was popular with textile workers. In the first few months of 1952 the SBT persuaded seven other Bandung unions, in a range of industries, to take advantage of the fund's popularity by demanding that Pretex dissolve the

[53] *Antara*, 2 Mar. 1951, in *Situasi Perburuhan*, Mar. 1951, p. 15; *Pedoman*, 3 Mar. 1951; *Algemeen Indisch Dagblad*, 24 Nov. 1950, 9 Feb. 1951.
[54] *Algemeen Indisch Dagblad*, 2 Mar. 1951; *Antara*, 2 Mar. 1953, in *Situasi Perburuhan*, Mar. 1951, pp. 15–6.
[55] *Antara*, 9 May 1951, in *Situasai Perburuhan*, May 1951, pp. 43–4; *Trompet Masjarakat*, 7 Apr. 1952; Kementerian Perburuhan, "Daftar Organisasi Serikat Buruh di Indonesia", 31 Aug. 1952, p. 1, in Sek Neg Kab PM, Jld 2, Inv. no, 3067, ANRI.

fund into one managed by the unions. Anxious to avoid yet another industrial dispute at a time when the Indonesian textile industry was struggling against foreign imports and a shortage of electricity, Sie Yong Djioe, director of the Fonds Sakit Pretex and managing director of Pretex, agreed to union demands. On 3 May eight Bandung unions, led by the SBT and Serbutsi, signed an agreement with Sie to absorb the Pretex-managed fund into their own Fonds Sakit Untuk Buruh (Workers Health Fund, Subur).

The attempted takeover came unstuck in early July when the Pretex board reneged on the agreement and sacked Sie on the grounds that he had no authority to sign it. The SBT and Serbutsi responded by threatening a total strike in Pretex companies unless Pretex abided by the agreement. Thwarted by Pretex and reluctant to launch an all-out strike given the fragility of the textile industry, the two unions resorted to political pressure. They succeeded in persuading the minister of labour, Tedjasukmana, to agree that the May agreement was binding on Pretex and to establish a committee to design the structure of the new fund.[56] Pretex now had little choice but to negotiate with the minister.

On 17 March 1953, Tedjasukmana formally opened the Dana Sakit Untuk Buruh (Workers Health Fund) in Bandung. Funded by worker and employer contributions, along the same lines as the Pretex fund, the new organisation was a separate legal entity jointly owned and managed by unions and employers. It was the first union-employer–operated insurance fund in Indonesia to offer comprehensive heath cover and income protection for workers. The government saw it as a model for unions and employers elsewhere, with Tedjasukmana expressing the hope that it would quickly open membership to workers in other industries in Bandung. Some 20,000 workers at textile factories in and around Bandung were transferred from the Pretex fund into the new fund.[57]

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[56] *Algemeen Indisch Dagblad*, 10 and 18 July, 11 Sept. 1952; *Java Bode*, 24 July, 7 Aug. 1952.

[57] *Java Bode*, 25 Sept. 1952; *Algemeen Indisch Dagblad*, 17 Mar. 1953. In the first quarter of 1958 the Yayasan Dana Sakit Untuk Buruh in Bandung provided 6,177 patient services to 12,890 members. Its establishment was followed by similar organisations in Palembang, Jakarta, Tegal, Kudus and Yogyakarta. See *Tindjauan Masa'alah Perburuhan*, May 1958, pp. 26–7. In 1957 labour unions were involved in managing seven health benefit funds in Bandung, Kudus, Jakarta, Medan and Palembang. *Tindjauan Masa'alah Perburuhan*, Sept. 1957, pp. 25–6.

Bandung unions regarded the formation of the Dana Sakit Untuk Buruh as a triumph of union cooperation. But cooperation on this issue masked growing inter-union competition within the textile industry. The formation of the Persatuan Buruh Textiel Indonesia (Indonesian Textile Workers Association, Perbuti) in the middle of 1952 created the fourth major textile union in Bandung, each of which was linked to a political party. The largest of the four, the SBT, was affiliated to Sobsi and through Sobsi linked to the PKI. Serbutsi was a member of Hissbi and through it linked to the Partai Buruh, Perbuti was a member of the KBSI and through it connected to the PSI, and the Serikat Buruh Textiel Republik Indonesia (Sarbutsi) was affiliated to Sobri and through it to the Partai Murba.[58] The Ministry of Labour estimated the membership of the four major unions for textile workers in mid-1955 at 47,652 in the SBT, 12,000 in Serbutsi, 7,034 in Perbuti and 3,000 in Sarbutsi. It estimated that of the 70,000 workers in the machine-operated sectors of the textile industry about 70 per cent were members of these four unions and another 10 per cent of smaller unions.[59]

The managing director of Pretex had been optimistic about the formation of new unions to rival the Sobsi-affiliated SBT "because there now appear to be signs of a counter offensive in the labour movement".[60] However, it soon became clear that despite inter-union competition, particularly between the SBT and Serbutsi, there was little difference in their programmes or industrial tactics. They had no choice. Workers in the textile industry, as elsewhere, were interested in improvements to their lives rather than ideological differences and personal disputes between leaders. All unions fought for increases in the minimum wage, for annual bonuses and Lebaran allowances to be paid to day-wage and piecework workers, and for increased benefits from the health fund at employers' cost.

Unions urged the government to impose import quotas and support national companies by providing them with more credit and by favouring them for government orders. Indonesian-produced textiles had to compete against increasing quantities of cheaper foreign imports, especially from Japan, and companies struggled to overcome a shortage of foreign exchange to purchase cotton. As a result, in

[58] *Java Bode*, 15 and 20 Aug. 1952.
[59] *Tindjauan Masa'alah Perburuhan*, Oct. 1955, p. 15.
[60] Quoted in *Algemeen Indisch Dagblad*, 10 May 1951.

the second half of 1953 many workers were made redundant. In November 1953 the four major unions formed a joint committee to oppose the use of colonial-era dismissal laws and to create an agreed solution to the industry's woes to put to the government.[61] The same month, the SBT organised a demonstration of thousands of textile workers to the Pretex office, the residence of the governor of West Java, the Bandung municipal council offices and the offices of the regional dispute resolution committee to demand that colonial-era laws be replaced by laws that protected workers.[62] An SBT delegation then worked the politics of Jakarta, making its case to members of parliament and ministers. The minister of labour promised his support; and the P4P, the P4D Bandung and the DPR chairman undertook to place mass dismissal laws on the agenda of the parliament's labour committee.[63] None of this action, though, could overcome the problems besetting the industry.

In April 1954 the combined Bandung union committee complained to the Bandung Labour Office that employers were refusing to pay workers who were stood down (so-called waiting money) even though the industry-wide collective agreement provided for this. Employers asserted that the collective agreement was qualified by "force majeure" and that given the downturn in the textile industry they had no choice but to reduce their workforces. The unions took the issue to the P4P in Jakarta, and in an important precedent the P4P ruled that the provisions in a collective agreement were paramount and ordered companies to pay "waiting money".[64] This cooperation between central executives of the unions was accompanied by sub-branch cooperation in individual factories that demanded collective agreements be honoured, arbitrary actions reversed and local grievances addressed.

With the promise of national elections in the offing, unions increasingly had an eye on wider political considerations. The growing antagonism between the PKI and PSI was reflected in a pamphlet war between the Sobsi-affiliated SBT and the PSI-linked Perbuti in January 1953. It started with the SBT distributing a pamphlet in

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[61] See "Resolusi Tentang Tindakan Pemetjakan Sewenang- wenang", 16 Nov. 1953, in Sek Neg Kab PM 1950–1959, Jld 2, Inv. no. 1782, ANRI.
[62] *Algemeen Indisch Dagblad*, 16 Nov. 1953.
[63] *Algemeen Indisch Dagblad*, 27 Nov. 1953.
[64] *Pikiran Rakjat*, 10 July 1954; 28 Aug. 1954.

West Java textile factories calling on workers not to be influenced by Perbutsi, whose activities were described as "efforts by reactionaries to destroy the workers' front in the interests of imperialists" and whose leaders were described as "henchmen of imperialism and capitalism". Perbuti responded with a pamphlet attacking the "feudal-autocratic-dictatorial leaders" of the SBT. A third pamphlet was circulated accusing both the SBT and Perbuti of working in the interest of political parties instead of promoting the interest of workers. While anonymous, it was probably produced by Serbutsi.[65]

There was also antagonism at the local level, with each union accusing others of trying to poach their members. An incident at the Dutch-owned textile company N.V. Weverij and Breierij "Bandung" in June 1954 illustrates this problem. Since May the company had stood down 390 workers, most of whom were members of the SBT. At the same time, it recruited new workers who were members of Perbuti. The SBT branch in the factory understandably protested. According to a newspaper account, some Perbuti members, emboldened by the company's action, went around the factory urging workers to defect from the SBT. When two of them tried to pressure an SBT member, a group of SBT members from elsewhere in the factory attacked them. The police were called to break up the fight, with eight SBT members arrested and subsequently jailed by the local court. The company sacked the eight men, but the SBT protested to the P4D that they were being punished twice and should be reinstated. This time the union lost, with the P4D upholding the men's dismissal but ordering the company to pay severance money.[66]

The textile unions did force improvements to workers' wages and conditions in the larger companies but lacked the resources to organise workers in the smaller handloom companies. They could not prevent the industry from reducing its workforce in the face of pressure from cheaper imports and the shortage and high cost of imported cotton. All they could do was to ensure that employers did not use it as an excuse to increase their employment of cheaper contract labour. The situation in the small enterprises that employed

[65] Extensive quotations from the SBT, Perbuti and anonymous pamphlets, and a subsequent interview with Harun, were published in *Algemeen Indische Dagblad*, 19 Jan. 1953. The SBT and the anonymous pamphlet were written in Sundanese, thereby expanding its readership, while the Perbuti pamphlet was in Indonesian.
[66] *Pikiran Rakjat*, 10 July, 3 Aug., 25 Oct. 1954.

about half of the workforce was more difficult, with lower wages, worse conditions and greater insecurity for workers who lacked even the limited protection of unionised workplaces.

Urban Transport

The structure of the urban transport sector of the Indonesian economy was very different from that of the oil and textile industries. There were a multitude of small companies that operated fleets of buses, trucks and taxis along with thousands of individuals who owned one or more *becak* (pedicab), *dokar* (horse-drawn buggy), *gerobak* (bullock cart) or taxis that were rented by drivers. Truck and bus companies were members of province- or city-based employer associations, and the larger cities also had associations for the major owners of *becak* and taxis. Hundreds of thousands of people earned their living in the industry, including drivers employed by industrial companies, state-owned enterprises and government departments. Some were full-time employees, albeit for the most part paid on a day-wage basis, but those who rented taxis, *becak*, *dokar* or *gerobak* led a precarious life. The diversity of urban transport, with its hundreds of small companies and thousands of individual owners in large cities and small towns, made unionisation of workers difficult.

There were two large national unions, the Serikat Buruh Kendaraan Bermotor (Union of Motorised Drivers, SBKB) and the Serikat Buruh Kendaraan Indonesia (Indonesian Union of Drivers, SBKI), both of which were affiliated to Sobsi, together with a number of small, local unions. Both claimed the inheritance of pre-war unions, including those created by the PNI, the Indonesian Study Club and the PSI in the late 1920s and early 1930s and those created by Parindra and Gerindo in the late 1930s. The SBKB covered motorised transport workers, including bus drivers, conductors and mechanics, truck drivers, taxi drivers, privately employed chauffeurs, and drivers employed by the plantations. The SBKI, which changed its name to Persatuan Pekerja Kendaraan Indonesia (Indonesian Association of Drivers, Perpeki) in 1955, covered drivers of non-motorised vehicles.

SBKI/Perpeki was by far the weaker of the two national unions. *Becak*, *dokar* and *gerobak* drivers were poor, with irregular incomes, and had little spare money for union fees. Moreover, they were scattered through the towns and cities rather than concentrated in workplaces, had little or no leverage with owners, and found it hard to see how a union could do much to help them when there was

a large pool of underemployed people seeking casual work.[67] The union struggled to recruit local leaders in a workforce where few were literate and had little time for union activism when holding two or more jobs in order to make ends meet.[68] There is little information on the leadership of the union, though it can safely be assumed that central leaders were not themselves drivers. The scant information available on SBKI/Perpeki provides only a glimpse into its activities, but it is clear that against considerable odds it did try to improve the lives of precariously employed drivers. In late 1950, for example, it campaigned about the effects on *becak* drivers of the importation of motorised *becak* (known as *bemo*) and, in an effort to free drivers from their total dependence on owners, called on the government to provide subsidised loans so that they could buy their own vehicles.[69] Another example is its 1953 campaign for the major owners of fleets of *becak* in Surabaya to provide drivers with a gift for Lebaran. Its demands were modest: ranging from a *sarong* (length of cloth) for drivers who had worked for one month or a *sarong* and a shirt for those who had worked between one and two months to a *sarong*, a shirt and Rp.100 for those who had worked more than a year.[70]

A log of claims by the SBKI Jombong branch in East Java on the local *becak* owners association provides an insight into local agendas. Its demands included formal recognition, 15 days rent free each year, a maximum rent of Rp.7 a day for 240 days with a reduction of Rp.1 a day if a driver stayed with the same owner, lamps provided at the cost of owners, free medicines if the union provided a letter certifying that a driver was sick, and raincoats for the rainy season. It also wanted owners to give the union Rp.2 each month for every union member, a clear sign that the union struggled to get membership fees from *becak* drivers. It also demanded that owners consult with it before withdrawing a *becak* from a driver or taking disciplinary action.[71] There is no information on whether the employers association agreed to more than token improvements.

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[67] For a discussion of Perpeki's awareness of this problem, see the interview with a branch leader in Jakarta in *Bendera Buruh*, 30 Jan. 1956.
[68] See the report on its second national congress in *Bulletin Sobsi*, 5 Sept. 1955, pp. 7–8.
[69] *Vrije Pers*, 23 Nov. 1950.
[70] *Trompet Masjarakat*, 4 June 1953.
[71] *Trompet Masjarakat*, 25 June 1953.

A P4P decision in February 1953 on a dispute with the owner of a fleet of *dokar* in Surabaya shows that the SBKI was prepared to confront larger employers. Its Surabaya branch reached agreement on a reduction in the daily rental but made no headway on demands for Lebaran payments, a seven-hour workday in keeping with the labour laws and the payment of severance money to five sacked drivers. In January 1953 it called a three-day strike which forced the company to agree to the remaining demands except for the payment of Lebaran allowances. However, in February the P4P ruled that *dokar* drivers were not in a direct employer-employee relationship and therefore not covered by the labour laws or entitled to a Lebaran allowance.[72] This decision, together with a similar ruling in the same month in a dispute between the union for contract labourers and BPM, was a major setback for unions.

The SBKI changed its name to Perpeki in August 1955 in order to attract those who owned their own vehicle as well as those who rented *becak*, *dokar* or *gerobak*. At its inception Perpeki had 26 branches in and outside Java. It stated that a large proportion of members were either unemployed or underemployed who sought work wherever they could. Many others were employed by the government or municipal councils as day-wage labourers during the day and drove a *becak* at night or worked as night watchmen and drove a *becak* during the day to supplement meagre incomes. It promised to focus on some of the fundamental problems faced by drivers, including "light-fingered" police, traffic fines, bonuses, a range of social welfare issues, as well as the closure of an increasing number of roads to non-motorised vehicles.[73]

Unable to create branches in workplaces like other unions, the Jakarta branch of Perpeki tried to create a sub-branch network in Jakarta in kampungs where substantial numbers of drivers lived. In June, 50 *dokar* drivers attended a kampung meeting to form a new sub-branch and 35 *gerobak* drivers formed another sub-branch in the Tanahabang area. In September another meeting of 25 *gerobak* drivers formed a third Jakarta sub-branch. At each of the meetings drivers complained about the Jakarta government's policy of closing streets to non-motorised vehicles in order to cater for the increasing

[72] P4P Decision P4/A/53/747, 6 Feb. 1953, enclosed in Arsip Sek Neg Kab PM 1950–1959, Jld 2, Inv. no. 3079, ANRI.
[73] "Kongres Perpeki", *Bulletin Sobsi*, 5 Sept. 1955, pp. 7–8.

number of cars in the city. This was a major threat to livelihoods already under threat from the growing number of *bemo* in the city and from traffic police more concerned about the free flow of cars on the roads.[74] The meetings elected sub-branch executives, though central leaders later acknowledged that most existed on paper only.

With little money or effective local leadership, Perpeki struggled to survive despite focusing on issues of immediate concern to drivers. Its 1956 work programme included demanding that owners make official holidays rent free, pay for the oil for *becak* lamps, provide a Lebaran allowance of cash or rent-free days, provide tools to drivers so that they could repair vehicles themselves, provide uniforms free or at cost price, and pay drivers when they were ill.[75] The union continued to negotiate collective agreements with the larger companies but with little bargaining power had to settle for small gains.

The SBKB was a much stronger union than the SBKI, and there is more information on its activities. Formed in August 1950, it was an amalgamation of nine local unions.[76] In 1955 it claimed to have 35,000 members throughout Java and Sumatra.[77] However, its small contribution to Sobsi indicates a low financial membership. Like the SBKI, its key central leaders were outsiders. Its chairman, Munir, had been one of the founders of the Serikat Buruh Mobil in Jakarta in 1947. In June 1950 he became chairman of the Jakarta branch of Sobsi and at the beginning of 1951 a member of the Sobsi central bureau.

The SBKB central and district executives focused on negotiating collective agreements with employer associations. After a brief strike, in February 1951 the SBKB signed its first collective agreement with the Association of Autobus Owners in Central Java, which included formal recognition, incorporation of the 1950 labour laws, a minimum daily wage of Rp.4, a general wage rise, an increase in meal money, and an increase in overnight allowances for drivers and conductors.[78] Following this success, in March the SBKB West Java district executive wrote to 49 transport companies that were members of the Gabungan Pengusaha Otobis Djawa Barat (West Java

[74] *Bendera Buruh*, 25 July 1956, p. 3; 12 Sept. 1956, p. 8.
[75] *Bendera Buruh*, 26 Sept. 1956, p. 3.
[76] *Locomotief*, 14 Aug. 1950.
[77] *Bendera Buruh*, 5 Mar. 1955, p. 11.
[78] *Nieuwsblad voor Sumatra*, 19 Feb. 1951.

Association of Bus Owners, Gapo) demanding a single collective agreement. At the end of May it accused Gapo of stalling because of the ban on strikes. It was wary of Gapo arguing for uniform wages while at the same time claiming that smaller companies could not afford big increases. It was prepared to modify its claims for individual companies that could provide evidence that they could not afford the increases, because it did not want to force them into bankruptcy, but if Gapo insisted on wage uniformity then this must be at higher—not lower—rates.[79] The SBKB was encouraged to stand its ground by the fact that several bus companies in West Java had already accepted its demands in full. Between 8 and 11 June it increased the pressure on Gapo through rolling sit-down stoppages. Once again, industrial action was effective. The minister of labour quickly intervened and referred the dispute to the P4P.[80]

In July the P4P imposed a landmark collective agreement.[81] Gapo companies were required to recognise the SBKB as the sole union for their workers, provide workspace for union branches, and provide unlimited free bus tickets for central, district and branch leaders engaged in union business. In accordance with the P4P policy of narrowing the gap between low- and high-paid workers, new base rates were established. They ranged from an increase of 17 per cent for drivers to 44 per cent for nightwatchmen, with rates for higher-paid administrative workers increased by only 10 per cent. The collective agreement also established a ten-step wage scale for each category of employment with automatic annual increments of 10 per cent. Other clauses provided fixed hours of work, with overtime paid in accordance with the labour laws, payment for official holidays, increased meal and overnight allowances, a Lebaran allowance of one month's basic wage, and an annual bonus ranging from one half to two months' basic wages depending on the number of years a worker had been employed. Employers were required to pay workers' medical costs, meet 75 per cent of the cost of a new set of work clothes every six months, and consult with the SBKB before dismissing workers or making workplace changes that affected them.

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[79] *Rakjat*, 30 May 1951; 18 June 1951; *Pikiran Rakjat*, 18 June 1951.
[80] *Pedoman*, 12 June 1951.
[81] Decision P4/51/XVII, 16 July 1951, in *Tindjauan Masa'alah Perburuhan*, July 1951, pp. 31–3. See also *Aneta*, 15 Mar. 1951, in *Situasi Perburuhan*, Mar. 1951, pp. 35–6; and *Rakjat*, 19 July 1951.

This comprehensive collective agreement was a major victory for the SBKB and became the benchmark in negotiations for collective agreements in Central and East Java. Negotiations with employers in East Java were particularly difficult. The SBKB East Java district, representing dozens of branches and about 3,000 members, opened negotiations with the employer associations in July 1951, immediately after the P4P handed down its decision for West Java. Negotiations stalled and the dispute was referred to the P4P, but in April 1952 there was still no decision from Jakarta.

In order to increase the pressure on both the companies and the P4P, on 21 April 1952 the SBKB began four-hour sit-down stoppages at 20 companies in East Java and threatened to call a total strike in all bus and taxi companies in the province. It took care to maintain discipline during the stoppages. Bus drivers and conductors were instructed not to damage equipment, and taxi drivers were instructed not to take advantage of the strike by increasing fares. To publicise the SBKB's actions and gain public support, red flags were flown from buses and placed at bus stops and bus stations. Industrial action again succeeded in spurring state intervention. Within a few days the P4P issued a decision that imposed a collective agreement almost identical to that imposed in West Java nearly a year earlier.[82]

Collective agreements were major achievements for the SBKB in an industry rife with low wages and poor conditions. Branch and sub-branch leaders were vigilant in ensuring that employers adhered to them and that they implemented subsequent decisions of the regional and central dispute resolution committees. When the Bandung bus owners association applied the 10 per cent annual increment only to those on minimum wages and restricted rest periods, the Bandung branch successfully took the issue to the P4P.[83] In May 1954 the sub-branch at a Semarang bus company ordered a strike because the company refused to implement a P4D recommendation to pay a bonus of two months' wages for 1953.[84] The company quickly caved in.

Branch and sub-branch leaders negotiated local agreements to complement region-wide collective agreements. In September 1950 the Bandung branch of the SBKB negotiated for bus companies in

[82] *Kedaulatan Rakjat*, 6 Nov. 1951; *Trompet Masjarakat*, 21 Apr. 1952; *Java Bode*, 17 and 21 Mar. 1952; *Vrije Pers*, 21 and 25 Apr. 1952.
[83] See *Tindjuan Masa'alah Perburuhan*, Feb.–Mar.–Apr. 1952, pp. 45, 48–9.
[84] *Nieuwsgier*, 22 May 1954.

Tasikmalaya to move workers from a commission basis to fixed wages and for the union to receive 10 per cent of the ticket price in recognition of its cooperation with employers.[85] In other companies the union negotiated higher "all-in" hourly wages in exchange for overtime rates.[86] In September 1951 the Surabaya branch worked with a sub-branch to negotiate a company-specific collective agreement that greatly consolidated the union's position in the workplace. The company recognised the SBKB as the sole union for its workers, undertook not to hinder union activity, allowed sub-branch officials to carry out their duties on company time, and agreed to consult with the union before transferring or dismissing workers. It also agreed to provide workers with a free new set of work clothes every six months; to pay for doctors and medicine; and to provide two weeks' paid annual leave, an annual bonus and redundancy pay.[87]

Not all disputes were organised by the SBKB. Workers often took spontaneous action over arbitrary or unfair treatment. On the morning of Saturday, 7 August 1954, *opelet* drivers in Jakarta suddenly stopped work, leaving their vehicles in the middle of the streets, where they created traffic chaos. Drivers were protesting against a Jakarta traffic police proposal to ban *opelet* from some major roads into the city. With fares unchanged since 1950, drivers argued that the longer routes into the city would reduce already low incomes because of the extra time taken and because they had to pay for petrol themselves. The *opelet* drivers' unilateral action took the SBKB by surprise, but the union quickly moved to take control. The strike ended at 4pm, after a delegation from the SBKB and Sobsi persuaded the police to suspend implementation of the proposal.[88]

On Sunday, 8 August, the strike broke out again because the police had not released two drivers arrested the day before. Drivers again caused chaos by parking vehicles around Lapangan Banteng, the large square in the centre of Jakarta. Groups of striking *opelet* drivers stopped taxis and buses and asked drivers to join the strike in solidarity. Their pleas were successful, with reports that trams were more crowded and *becak* busier than usual that day. The SBKB and Sobsi again moved to take control. They addressed a protest meeting at Lapangan Banteng and then sent a delegation to meet with the

[85] *Merdeka*, 8 Sept. 1950.
[86] Ibid.
[87] *Trompet Masjarakat*, 15 Sept. 1951.
[88] *Merdeka*, 7 Aug. 1954.

Jakarta traffic police, whom they persuaded to release the arrested drivers. The delegation then returned to the assembled drivers and persuaded them to end the strike. Later they persuaded the Jakarta City Council to establish a committee, including union representatives, to investigate the best routes for *opelet* into the city that would meet the needs of drivers as well as improve traffic flows.[89]

The delegation's successful intervention provided a boost to the SBKB in Jakarta. A rival anti-Communist union, the Persatuan Supir Djakarta (Association of Jakarta Drivers, SPD), had refused to take part in the SBKB/Sobsi initiative to resolve the strike, stating that strikes were what Communists did. This led to the letter from one disenchanted SPD member to a Jakarta newspaper in which he stated that the union had no understanding of why workers went on strike and that he and many of his friends had resigned to join a newly created SBKB sub-branch for *opelet* drivers. "Brother readers," he said, "I have nothing to do with Communist activities, because I am not a Communist; rather, I am an ordinary worker who knows that workers have no other weapon than the strike."[90]

The SBKB's platform included nationalisation of vital industries such as the transport industry. The union urged the government to expand the reach of the state-owned inter-city bus company, Djawatan Angkutan Motor Republik Indonesia (Indonesian Motor Transport Office, DAMRI), and in 1953 welcomed the nationalisation of the bankrupt Jakarta tram company BVM. DAMRI was a unit of the Ministry of Communications, with workers' wages and conditions regulated by the PGP. It operated at a loss, which reached Rp.6 million in 1953. With the national budget under stress and convinced that the company was poorly managed and considerably overstaffed, in early 1954 the minister of communications, Ir. Rooseno, established an inquiry. The inquiry recommended halving the workforce from the existing 14 workers for each bus to seven. Even after these reductions, it pointed out, the worker-bus ratio was higher than the 5:1 in private bus companies.[91]

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[89] *Pikiran Rakjat*, 10 Aug. 1954; *Merdeka*, 28 Aug. 1954.
[90] "Ketua Umum Persatuan Sopir Djakarta (PSD) letakkan djabatan", *Suluh Indonesia*, 7 Sept. 1954.
[91] *Java Bode*, 10 Apr. 1954; *Merdeka*, 13 Aug. 1954; *Trompet Masjarakat*, 5 Jan. and 14 Aug. 1954; *Vrije Pers*, 9 July 1956.

The SBKB recognised that redundancies were inevitable but sought to protect as many workers as it could at a time of high urban unemployment and to ensure that those made redundant were compensated properly. For his part, the minister of communications wanted to avoid a major dispute that might involve not just the SBKB but also other Sobsi-affiliated unions and might result in a shutdown of the transport system. In September 1953 the SBKB agreed to a compromise that the ratio of workers to buses would be reduced to 9:1.[92]

The SBKB had to fight another battle in1955 over plans by the new minister of communications to privatise DAMRI. Apart from ideological objections, the union was concerned that workers would lose the benefits of state-regulated wages. A strong union campaign, accompanied by a number of sit-down stoppages and other public protests, forced the government to abandon privatisation. In February 1956 it converted DAMRI from a unit in the Ministry of Communications to a government-owned enterprise. Workers retained their state-regulated wages and conditions.[93]

In a special edition of *Bendera Buruh* at the end of 1955 to celebrate Sobsi's ninth anniversary, Waldiman Arysuprijatna, SBKB secretary-general, proudly listed the union's achievements. Wages were 20 per cent higher than a year ago, and workers were receiving a Lebaran allowance of at least one month's wages; an annual bonus of one month's wages; and a much improved social wage, such as child allowances, cost-of-living allowances, meal allowances, medicines and death benefits, as well as free work clothes once or twice a year. Despite these considerable achievements, the secretary-general hinted at a continuing problem of weak branches, poor local leadership and a disengaged membership, arguing that there was too much "aimless talk" in SBKB branches and sub-branches and stating that the union needed to create a more disciplined organisation.[94]

A few months later, in January 1956, the SBKB central executive organised a meeting of district executives to discuss the problems facing the union. They acknowledged that district executives had

[92] *Algemeen Indisch Dagblad*, 5 Nov. 1954.
[93] *Algemeen Indisch Dagblad*, 24 Feb. 1955; *Nieuwsgier*, 20 Feb. 1956.
[94] *Bulletin Sobsi*, Special issue, nos 13–14–15, 1955, pp. 37–9.

tried to consolidate branches but despite this many were still organisationally weak and poorly led. They admitted that they had only 94 activists in the whole of the East Java district, which included the district executive, nine branches and many sub-branches. The union was stronger in West Java, and particularly in Jakarta, but the low number of East Java activists was clearly part of a wider problem. Districts were instructed to renew their efforts to consolidate branches and to develop work plans with clear objectives. Not surprisingly, they were also urged to have regular discussions with members about paying fees. National leaders stated that they intended to visit the major branches in Jakarta, Bandung, Semarang, Yogyakarta, Surabaya and Malang in order to support the renewal process and that among the matters they intended to discuss was unrealistic claims on employers. For the union to be successful it was convinced that it must implement the Sobsi strategy of *kecil hasil* (small outcomes). In line with Sobsi policy, it also stated that it would develop an improved education programme in each city to better equip local officials for their roles.[95]

The SBKB central executive's insistence that districts and branches implement the strategy of *kecil hasil* was put into effect by the East Java district in negotiating a new agreement with three associations that represented 73 bus companies in the province. The union had originally sought a 50 per cent wage rise, but after the January directive it settled for a 10 per cent wage rise, improved overnight allowances and an annual bonus of one month's pay.[96] Other districts followed suit, though when individual companies held out against even these modest claims the SBKB was prepared to take industrial action.[97] In a follow-up meeting with district leaders in November 1956, the SBKB central executive reaffirmed its policy of implementing the Sobsi strategy of *kecil hasil*. Like all other unions, the SBKB was forced to revisit its strategy after the imposition of martial law in March 1957.

In 1958 Sobsi had 17 industrial unions with a total of 294,805 members. Almost half of these were in three unions: for oil, cigarette and textile workers. Sobsi estimated that the industries covered by its

[95] *Bulletin Sobsi*, 20 Feb. 1956, pp. 10–1.
[96] *Bendera Buruh*, 21 Mar. 1956, p. 2.
[97] See, for example, *Bendera Buruh*, 16 May 1956; 21 Nov. 1956, pp. 2–3.

unions had 2.7 million workers, indicating that union density was low even after allowing for those who joined non-Sobsi unions.[98] With the exception of the oil industry, the sector was dominated by cottage industries that were scattered through major cities and small towns. At the end of 1958, almost 90 per cent of the 10,861 manufacturing companies employed fewer than 100 people and only 91 more than 500.[99] This was a major barrier to Sobsi and its unions, all of which struggled from a lack of financial resources and local organisers. The pattern of union penetration was similar across industries. Workers in foreign-owned companies and in the larger national companies were unionised, but the vast majority of those who worked in the thousands of small enterprises were not. The transport sector was no different. Workers in the large state railways were strongly unionised, but while unions made significant incursions into the larger transport companies, they made little progress among the vast number of precariously employed.

[98] Untitled and undated Sobsi document (1959?), p. 2, enclosed in Arsip Sobsi, Inv. no. 46, ANRI.
[99] *Statistical Pocketbook of Indonesia*, 1959, pp. 94–5.

Conclusion: Labour Activism and Liberal Democracy

Worker activism and the rapid growth of unions in the early 1950s were an important part of the lengthy process of decolonisation in Indonesia. They showed what could be achieved in a liberal political environment. The disaster of guided democracy and the dismantling of independent unions by Suharto's New Order regime must not obscure these achievements. Unions were strong and effective advocates for workers, at both the national and the workplace levels. In 1957 working conditions in large parts of the economy were very different from those inherited from colonial rule. Improvements were not uniform, but it is clear that unionised workers fared much better than those who were not unionised. In industries with strong unions, increases in basic wages were, for the most part, still outpaced by inflation, but workers' total cash wages were increased by better cost-of-living allowances; higher rates for overtime, Sunday work and work on official holidays; improved annual bonuses; and Lebaran allowances. Unions forced employers to provide paid sick leave, free medical treatment and medicines for workers and their families, free work clothes, improved family allowances, and death benefits. Many workers gained an entitlement to a pension for the first time, while others had existing pension rights improved. Unions forced hundreds of companies to enter into collective agreements and were vigilant in ensuring that agreements and P4P decisions were implemented fully. Employers were compelled to abide by the 1948 labour laws, including a seven-hour workday and a 40-hour workweek, paid overtime, higher allowances for working on Sundays and holidays, and two weeks' paid annual leave. Race discrimination and arbitrary

treatment by managers were challenged. While wage gains were wiped out by the inflation and the economic chaos of guided democracy, many of the improvements to working conditions and in-kind packages survived.

In 1957 Sobsi leaders and central leaders of affiliated unions were proud of their achievements. They had set the industrial agenda for all unions and had created the dominant unions not only in foreign-owned companies but also in national companies and state-owned enterprises as well as in government departments and local authorities that employed large numbers of low-paid workers on a casual or temporary basis. Nevertheless, despite a favourable political environment, most unions were still structurally weak and were struggling to create centrally controlled and financially strong organisations with committed members. The exceptions were the large public sector unions, such as those for health workers, teachers, railway workers, and workers in the post offices or pawnshops, all of which could trace their origins to the 1910s and 1920s. They had survived the colonial regime's crackdowns on unions and, while suppressed during the Japanese occupation, benefited from their ability to draw on pre-war structures and workers' experience of unionism and, importantly, from the deduction of membership fees from wages. It was very different for private sector unions as well as for unions focused on the lowest-paid public sector workers, such as those in municipal councils and provincial governments or in the Public Works and Forestry Departments. They not only had to build their organisations from scratch, with no pre-war culture of unionism to draw on, but were constrained by limited financial resources, with both private and public employers refusing to deduct membership fees from wages.

The gains in wages and conditions during the eight years of parliamentary democracy would not have been achieved without worker activism and well-organised union campaigns. Workers and unions forced employers to take their demands seriously, and when negotiations failed, industrial action ensured intervention by regional and central dispute resolution committees. While unions were publicly critical of the dispute resolution system for constraining industrial action, they also realised that they could take advantage of government intervention. They became adept at using official reports, Sobsi research, and their own knowledge of the economics of individual companies and industries to make well-argued submissions to Labour Offices and dispute resolution committees. Their arguments

increased the pressure on the government to fulfil the promise that independence would usher in a new era of justice and prosperity.

Mediation by Labour Offices and regional dispute resolution committees more often than not favoured unions, and binding decisions of the P4P in Jakarta curtailed the arbitrary actions of employers and gradually established minimum wages and conditions industry by industry. The P4P system supported union efforts to improve the lives of workers but at the same time was an effective instrument with which the government managed unions and limited the impact of industrial disputes on a fragile economy. Under martial law, increased military involvement in workplace disputes and collective agreements reduced the role of the P4P system as a mechanism that unions could use in their battles against employers. In a modified form, though, the P4P system remained the formal labour dispute resolution system during guided democracy and the Suharto era. In 2004, after the re-emergence of independent unions in a restored democracy, its structure was changed by the creation of local labour relations courts that had a broader jurisdiction than the P4Ds they replaced and an independence they lacked.[1]

The foreign-owned companies that dominated the postcolonial economy opposed the dispute resolution system, arguing that the government should not intervene in their relationship with Indonesian workers unless it was to suppress union militancy. They constantly asserted that Indonesia was being held to ransom by militant Communist-controlled unions intent on stirring up workers in order to sabotage the economy and force foreign-owned companies into bankruptcy. Sobsi unions, they argued, were not genuine industrial organisations but political organisations intent on advancing the interests of the PKI.

Sobsi was indisputably controlled by prominent members of the PKI who were committed to the working class as the vanguard of a social and political revolution. The politics of Sobsi was never

[1] See William Hurst, "Indonesia's Courts of Industrial Relations: Context, Structure, and a Look at Surabaya Cases", *Indonesia* 97 (Apr. 2014): 29–54. The changes made to the P4D structure in 1956, which allowed for five nominees by employers and five by unions along with five government appointees, were incorporated into the 2004 legislation, with the difference that the five government appointees had to be legally qualified judges rather than departmental employees.

in doubt, nor was support for the Sobsi/PKI political agenda by the central leaders of its affiliated unions. However, just as Indonesian workers were never the passive natives of the colonial imagination, neither were they the passive instruments of Sobsi or Sobsi unions. Workers were actors in their own right and in the optimism that followed the defeat of the colonial power, when everything seemed possible, were determined to change the conditions under which they worked. Most labour disputes were led by local people over local issues. Sometimes workers sat down on the job or simply walked out in protest. At other times direct action was led by workplace activists in their role as union sub-branch officials in order to pressure managements into negotiating with them. Central leaders of Sobsi unions were well aware of their dependence on thousands of local activists who owned the relationship with ordinary workers. Local activists were often difficult to manage, but their linkages into workplaces and their leadership of local campaigns were essential to union growth.

Lingering colonial mentalities blinded European managers from recognising that it was their attitudes and policies that were the major cause of labour unrest. They were not accustomed to their authority being questioned, let alone openly challenged. Most were uncomfortable negotiating with Indonesian union officials, especially when they were employees, and many found it hard to conceal their disdain for them. Their refusal to recognise the justice of workers' claims to higher wages and better conditions and their reluctance to abandon colonial-era labour management practices left workers and unions with no choice but to take matters into their own hands.

Claims by foreign companies that labour unrest was threatening the social order and destroying the economy were greatly exaggerated. Real growth per capita during the eight years of parliamentary democracy compared favourably with that in other recently independent Asian countries, let alone in those that were still colonies. Moreover, despite arguing that increased wages and improved conditions were bankrupting them, most foreign companies remained comfortably profitable. Demonstrations by workers in front of company offices and marches and rallies in the towns and cities were a disturbing sight for those accustomed to the "tranquillity and order" of colonial rule, but society was not on the brink of collapse. Worker activism and union-organised industrial campaigns were orderly and peaceful, as was regularly acknowledged by the police, local officials and ministers of labour.

However, foreign companies were not alone in their concern about worker activism. While Indonesian political, bureaucratic and business elites as well as army officers, for the most part, accepted the justice of workers' demands for a better life and for an end to colonial methods of labour control, they had little trust in movements from below. Local officials, the police and army commanders closely monitored the activism of workers and union-organised industrial campaigns. They frequently intervened in industrial disputes, with hundreds of union activists arrested and fined or jailed for contravening the 1951 emergency law. This did little to deter workers from demanding workplace justice but was a significant constraint on Sobsi and its affiliated unions that were their prime targets.

Indonesian political, bureaucratic, military and business elites were increasingly linked through personal and political connections, business interests and intermarriage. Their unease about workers' challenges to authority was deepened by the failure of anti-Communist unions to combat the growth of Sobsi and its unions. The strong support for the Communist Party in the 1955 national elections and the even stronger support in the 1957 Java provincial elections increased their alarm. Sympathy for workers' search for justice increasingly gave way to a growing fear that Sobsi unions were providing a resurgent Communist Party with an army of people who could be mobilised to advance political goals that threatened the elites' control of the state.

The seizure of Dutch assets in December 1957 eroded the nationalist narrative of unions and removed the remaining brake on army and bureaucratic intervention. It transformed the struggle of workers and unions from primarily a conflict with foreign companies and managers into a conflict with Indonesian managers of national companies and state enterprises. Workers and unions were now directly confronting an increasingly illiberal state, an authoritarian military and business elites who stood to gain from nationalisation. Martial law, the ban on strikes, army management of large sections of the economy and the army's control of the dispute resolution system imposed tight limits on worker activism and narrowed the space for unions as industrial organisations. In the increasingly polarised ideological environment of guided democracy, with growing tension between the PKI and anti-Communist forces led by the army, the labour movement became more closely tied to the intensifying political conflict and less able to advance an industrial agenda.

Since the initial organisation of workers in the 1910s, Indonesian union leaders of all political persuasions had sought to unite disparate unions into a single national federation in order to strengthen their position against employers and the state. Every attempt in the 1920s and 1930s failed. They were no more successful after independence, with many issues that had divided the colonial labour movement continuing to be contentious. The Communist/anti-Communist divide was clearly a major barrier to unity, but it was not the only one. There were fundamental disagreements over issues such as whether unions should be centralised or decentralised, independent or connected to political parties, industry or company based, class or faith based, whether they should cut across the public/private sector divide, or whether they should have a mutual benefit as well as an industrial function. The Communist/anti-Communist ideological battle was brought to a violent end after September 1965, with the Communist Party, Sobsi and unions affiliated to Sobsi banned and thousands of their members killed or jailed. More than 50 years later, after the restoration of democracy, many of the challenges of organising Indonesian workers in workplaces stratified by status, gender and ethnicity remain, as do the difficulties in overcoming regionalism, localism and inter-union competition.

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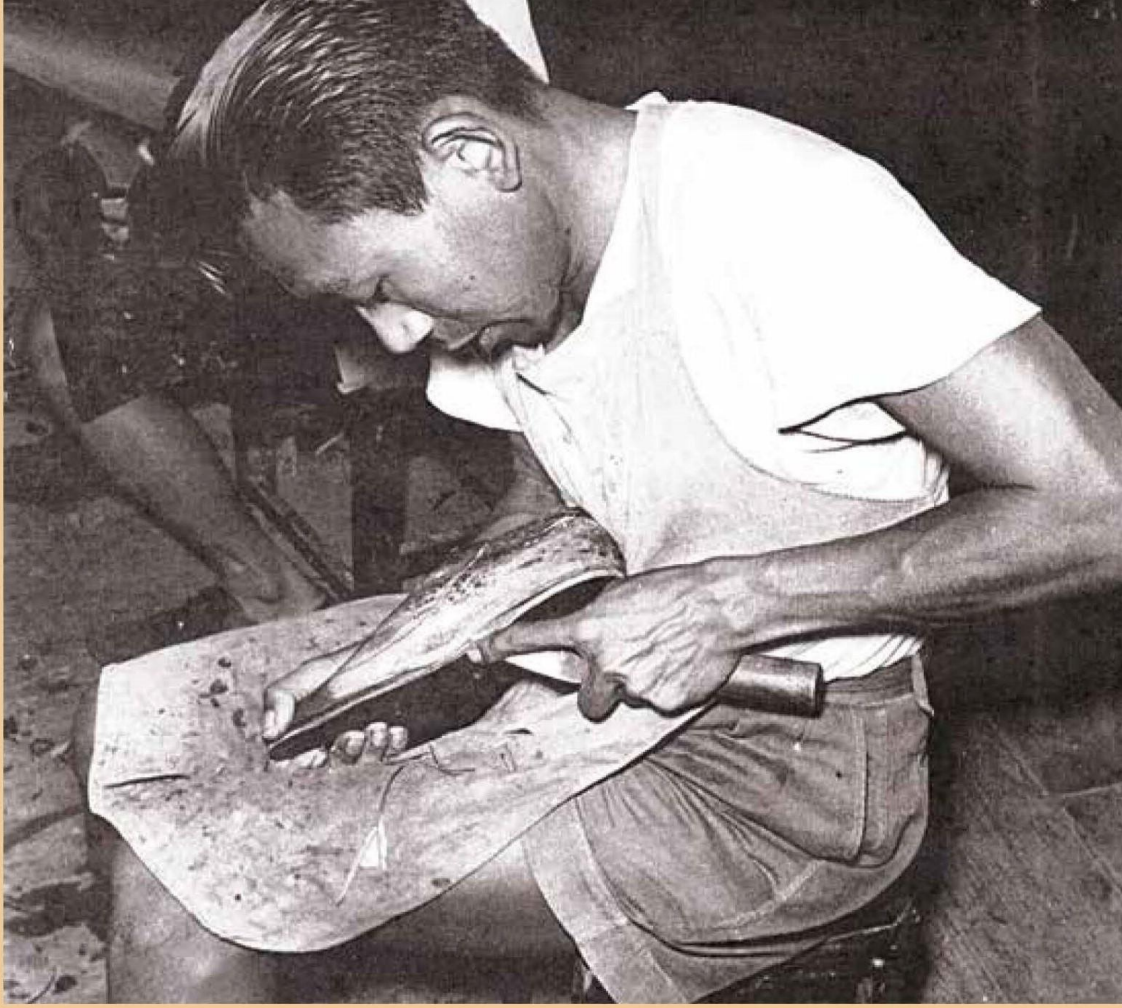




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This book is a study of worker activism and labour unions in the eight years between the recognition of Indonesian sovereignty by the Netherlands at the end of December 1949 and the nationalisation of Dutch assets in December 1957. It contributes to a re-evaluation of the era of liberal parliamentary democracy in Indonesia. Writing in 1994, Ruth McVey described the 1950s as the "disappearing decade" and the "lost years".[1] A decade later, after the collapse of the 32-year-old army-dominated Suharto regime and the restoration of democracy, Daniel Lev observed that the parliamentary period of Indonesian history "has either been lost, badly distorted, misremembered, or surrounded by a mythology that renders it inaccessible to those most committed to change".[2] He argued that these were not years of un- mitigated failure, as asserted by the dominant narrative, but rather years in which much was accomplished and, further, that the absence of a historical memory of these accomplishments made fundamental reform in the post-Suharto era after 1998 more difficult. The story of worker activism and labour unions is an important part of this forgotten history.

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